

UNIVERSITY OF KWAZULU-NATAL

**Personal Finance Challenges Facing Taxi Drivers at Umbumbulu, KwaZulu Natal:
A Case Study**

By

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The above student has satisfied the requirements of English Language competency.

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DECLARATION

I, Sibongile Elizabeth Hadebe declare that:

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ABSTRACT

The South African taxi industry is a fast-growing industry and greatly contributes to the GDP growth of the country. While it also contributes to the decrease of unemployment problem in the country, it does very little to compensate its employees, the taxi drivers. A large body of research has been done on the taxi industry regarding its growth and future development such as recapitalization, and SANTACOs initiatives at introducing a much affordable Airline. However, little research has been done concerning the financial challenges facing taxi drivers in South Africa, especially in Umbumbulu, South of Durban, KwaZulu-Natal. This is the gap this dissertation is attempting to fill in. The purpose of this dissertation is to enhance understanding of how taxi drivers fare in this fast growing informal economy, namely, the taxi industry, by investigating their financial management practices. Through the utilization of, questionnaires, in-depth interviews and ethnographic approach, a model will be developed to describe, firstly, how financial management practices are carried out to facilitate the fulfillment of specific life goals of these taxi drivers and secondly, discuss how these practices translate to financial management.

For the purpose of this study a questionnaire was used to investigate the financial management practices of taxi drivers in Umbumbulu. 27 owners and drivers were interviewed during their loading intervals when they were not busy.

The study revealed that the Umbumbulu Taxi Rank drivers face huge financial difficulties which are due to different reasons. The challenges have been found to not only affect them but also their families. The conclusion drawn from the results was that even though taxi drivers face these problems they are able to deal with them through different strategies, such as, saving money through Stokvel and savings accounts.

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CHAPTER 1

OVERVIEW OF THE STUDY

1.1 Introduction

The South African Taxi industry (also known as the Minibus Taxi Industry) came about as a result of the need of the formal economy, which required readily available supply of labour from homelands, the inhospitable and desolate territories that had been created through the segregationist policies of the Apartheid government during the 1980s (Barrett, 2003). At the time, the state favoured the larger buses of the South African Railways (SAR) over which it had enormous control through set regulations at the time (Barrett, 2003).

Daily travels were exhaustive and expensive as buses were often overcrowded on the fixed routes of the time and as a result commuters from homelands had to bear six hours of travels everyday (Barrett, 2003). The Kombi-taxi (Minibus-taxi) became a better option as it provided a much faster, more reliable mode of transport that could accommodate all commuters' destinations by stopping conveniently close to their homes (Barrett, 2003).

The State attempted to ban the mini-buses as mode of passenger transport, however, this proved unsuccessful. Various repressive and statutory means were then employed in an attempt to establish control over the industry (Barrett, 2003). Official means to come to grips with volatility in the taxi industry during the pre-democracy era were initialized, firstly, by commissions of enquiries. These were considered impartial by the main role-players within the industry (Barrett, 2003). Their findings were suspiciously viewed by the communities and were believed to be biased.

As the Kombi-taxi industry appeared to be posing challenges to the State's authority, a second means of state control was implemented through various legislation and statutory prescriptions that had to be applied through coercion (Barrett, 2003).

The efforts employed by the state not only proved to be ineffective but also led to the State losing complete control over the industry. The industry, therefore, became informal. Through the Apartheid government's adoption of the apartheid policy in the 1980s, the State practically ceded its responsibility to control routes and ranks to the informal associations and later 'mother' bodies of the time (Barrett, 2003). These organizations became monopolies founded upon criminality, violence and militancy (Barrett, 2003).

1.2 Background to the Problem

Although data on the South African Taxi industry is often unreliable due to its unregulated nature, the Department of Transport estimates that 126 000 legal taxis are operating on South Africa's roads, while an even greater number is considered to be illegal "pirate" taxis (Barrett, 2003).

In spite of the violent nature of the industry, dangerous to both commuters and those who control it in all informal markets, it is still perceived as the most viable source of public transport to poor South Africans, and of Black Economic Empowerment. The minibus-taxi industry is mostly associated with most of the daily horrendous accidents and deaths on our South Africans which are mostly due to the poor road-worthy conditions of vehicles and the drivers who are indifferent towards road safety regulations (Barrett, 2003). Reasons for keeping road unworthy vehicles and drivers' indifference are scarcely documented or virtually unknown. The industry has thus earned a bad name for its disregard of the South African law, government corruption and mafia-style murders as a means of resolving disputes (Barrett, 2003). However, on a positive angle, the taxi industry has vastly grown from an illegally operating industry to a net worth of R10 billion in the stock market, a black economic empowerment industry almost completely controlled by blacks (Barrett, 2003).

This literally means that the South African Taxi industry is a fast-growing industry which greatly contributes to the GDP growth of the country. Previous research reveals

that based on estimates of passenger numbers, turnover has been estimated at ZAR 11 million a day and ZAR 12.6 billion a year (Barrett, 2003).

Profit margins could not be ascertained in the study (Barrett, 2003). The industry also contributes to the decrease of unemployment problem that perpetually faces South Africa. In spite of its economic growth, with regards to remuneration, its employees, namely, the taxi drivers still receive far less than expected. Their working hours and conditions prove to be terrible and dangerous, and their expenses escalate daily. SATAWU organizers and workers estimated a driver's income in Pretoria or Johannesburg to be around ZAR 300 per week, but this can vary widely, even within the province of Gauteng (Barrett, 2003). For example, some earn as little as ZAR 160, others up to ZAR 500 per week. This often leads to drivers stealing as owners or association heads become greedier (Barrett, 2003).

However, from 2005 the South Africa government started introducing some legislation governing improvement in the industry as well as setting up some salary guidelines for the industry (Ntuli, 2005). Studies have revealed that the industry is still as uncontrolled and flexible as it has ever been (Barrett, 2003; Ntuli, 2005). This means that the industry still does not adhere to the set guidelines. This poses a problem for a country which seeks equal treatment for its employees through the current labour laws, such as Employment Equity, Basic Conditions of Employment Act of 1997 (BCEA) and the Labour Relations Act of 1995 (LRA) (Barrett, 2003). Due to the above problems it is hypothesized that taxi drivers currently experience problems with regards to inadequate salaries, and hence their saving and spending patterns are greatly disturbed.

1.3 Purpose of the research

Though the South African informal industry is a fast-growing industry and greatly contributes to the GDP growth of the country and it contributes to the decrease of unemployment problem in the country, it does very little to compensate its employees, the taxi drivers.

The objectives of the research, therefore, are:

- a) To investigate the personal financial challenges facing taxi drivers at Umbumbulu.
- b) To determine the effects of these challenges on the taxi drivers themselves.
- c) To determine the effects of these challenges on the taxi drivers' families.
- d) To investigate what strategies taxi drivers apply to deal with these challenges.

1.4 The need for the study

A large body of research has been done on the taxi industry regarding its growth and future development such as recapitalization, and SANTACOs initiatives at introducing a much affordable Airline. However, little research has been done concerning the financial challenges facing taxi drivers in South Africa, especially in Umbumbulu, South of Durban, KwaZulu-Natal. This is the gap this dissertation is attempting to fill in. In this regard, therefore, the purpose of this dissertation is to enhance understanding of how taxi drivers fare in this fast growing informal economy, namely, the taxi industry, by investigating their financial management practices. Through the utilization of, questionnaires, in-depth interviews and ethnographic approach, a theoretical model will be developed to describe, firstly, how financial management practices are carried out to facilitate the fulfillment of specific life goals of these taxi drivers and secondly, discuss how these practices translate to financial management.

1.5 Questions to be answered in the research

- a) What are the personal financial challenges facing taxi drivers in the Umbumbulu area?
- b) What impact do these challenges have on taxi drivers themselves?
- c) What impact do these challenges have on taxi drivers' families?
- d) What strategies do taxi drivers apply in order to deal with these challenges?

1.6 Research Design/methodology/approach

The quantitative research method has been selected for the proposed study. The rationale behind this selection is based on the following points:

- Taxi drivers are very busy and as such, the element of “speed” could be easily accommodated by a quantitative research method;
- The research will be conducted in the taxi ranks, which are quite noisy, and where there are no formal offices. Quantitative research can also accommodate this situation as the questions are short, and to the point.

The questionnaire will be used to describe the taxi drivers’ financial management practices, their perceptions and feelings towards their financial situation, their life goals and how they intend changing their financial situation if it is unsatisfactory.

Due to time constraint, this study will not constitute a pilot study; instead the researcher has chosen to work comprehensively on her questionnaire design so that extra time is utilized to ensure clarity in an attempt to avoid problems of misunderstanding and ambiguity.

Sample Size

It has been confirmed with the rank manager that the population of taxi drivers in Umbumbulu is approximately 27. Despite the fact that this number changes slightly from time to time (that is, during December holidays, the number increases by approximately three or so drivers) the researcher has made a decision to distribute questionnaires to the entire population (that is, 27 respondents). Questionnaires will be administered to the taxi drivers during the day when they are not busy and in the afternoons while their taxis await their turn for loading.

The Questionnaire

The questionnaire was administered to the respondents in which they were required to describe their financial management practices, their perceptions and feelings towards

their financial situation, their life goals and how they intended changing their financial situation if it was unsatisfactory. These were face-to-face surveys utilized with the intention of minimizing misunderstanding and ambiguity with regards to questions.

1.7 Limitations of Study

Due to time constraint, this study is limited to six months. For this reason, the study was limited to small sample survey, and results can, therefore, never be generalisable. Also, literature concerning the topic could not be found as very few studies have been made on the taxi industry. The only study that was relevant to the topic was more than five years old. The researcher was left with the only option of utilizing that literature as basis for this study.

1.8 Structure of the Study

This chapter introduced the research topic, purpose of study, the need for study, research design, sample size, the research instrument, site of study and limitations. Chapter 2 discusses the literature informing this study. Chapter 3 informs the reader of the methods of research that have been utilized in this study. Chapter 4 then presents data as obtained in the face-face survey. Chapter 5 analyses data presented in chapter 4 of this study. Chapter 6 is the final chapter that brings in conclusions from research findings and makes recommendations for further research.

CHAPTER 2

THE FORMAL AND THE INFORMAL LABOUR MARKETS

2.1 Introduction

This chapter introduces finance in the informal markets, in particular, the taxi industry, which the study investigates. It begins by defining personal finance and financial planning which go hand in hand. It then defines the dual labour market and discusses how it works, and focuses on the taxi industry, which forms an informal market. The chapter, then, focuses on employment in the taxi industry by closely looking at the taxi drivers and owners who also work as drivers. The issues affecting taxi drivers are dealt with, in particular, employment, hour of work, labour laws and taxi recapitalisation. These are issues that greatly affect the revenue and remuneration of taxi drivers, which in turn, affect the saving as well as the spending patterns of these drivers, the main focus of this study.

2.2 Personal Finance

Personal finance is described as “the application of the principles of finance to the monetary decisions of an individual or family. It addresses the ways in which individuals or families obtain budget, save, and spend monetary resources over time, taking into various financial risks and future life events” (Investopedia). Financial planning forms a key component of personal finance. This is because for an individual to have a sound financial background and future, a strategic financial planning is essential. Financial planning involves a process of selecting amongst the different types of financial products currently in place namely; banking products (savings accounts, credit cards and consumer loans), investment (stock market, mutual funds, bonds) or insurance products (life insurance, health insurance, disability insurance), and/or participating in individual or employer monitored retirement plans, social security benefits, and income tax management (Investopedia, retrieved 20 June 2012).

Sound financial planning often needs to be monitored and reevaluated regularly (Investopedia, retrieved 20 June 2012). Five steps are often involved in financial planning. These are:

2.2.1 Assessment: A compilation of simplified versions of financial statements, balance sheets and income statements (Investopedia). An individual needs to have, firstly, a personal balance sheet in which values of personal assets such as house, car, clothes, stocks, bank account together with personal liabilities such as loans, credit cards are recorded, and secondly, an income statement where he/she can list personal income and expenses (Investopedia).

2.2.2 Goal setting: An individual needs to set goals, both short term and long term goals. Goals usually set the pace and highlights strategies of how to achieve set goals, at what time. When an individual sets financial goals he/she is directing his/her financial planning. This is done to meet certain financial requirements such as buying a car, buying a house or retiring at 65 (Investopedia).

2.2.3 Creating a plan: Financial planning involves an action plan on how an individual intends reducing unnecessary expenses, increasing his/her income, or even investing in the stock market.

2.2.4 Execution: Execution often requires discipline and perseverance (Investopedia).

2.2.5 Monitoring and reassessment: A personal financial plan needs to be monitored for possible adjustments or reassessments after some time (Wikipedia).

However, these facts require substantial financial literacy (Maistry, 2010). Financial literacy exposes an individual to exclusive financial planning practices.

Financial planning involves a plan of action every individual needs to follow for a successful financial life span, but, more often than not, most individuals are not exposed to this kind of knowledge about finance. In most households, particularly in South African Black communities, remuneration rates are low for heads of families or bread winners, such that it becomes hard to follow the strict rules of creating wealth since there is not enough money to spend even on food. These types of financial

products are easily accessible to most individuals who have decent incomes. However, for an individual in the informal industry they are inaccessible. These individuals often opt for a different form of saving known as Stokvel. Described as Rotating Savings and Credit Associations (ROSCA) these are still regarded as the most popular among Black South Africans (Moliea, 2007). These were more popular to individuals who had limited income; however, it has now encompassed even wealthy individuals such as business tycoons. It would be interesting to investigate financial management and types of finance products taxi drivers utilize. This is what this study aims to investigate within the South African Black taxi drivers. By this, it hopes to understand how these individuals fare in the presence of so many financial challenges.

2.3 The Dual Labour Market

Two market sectors, namely, the formal and the informal markets constitute the dual labour market. Between the two, the formal sector offers higher earnings and better employment security in the form of labour unions compared to the informal sector (Ntlhola, 2010). The latter sector is constituted of unemployed, largely black women (Ntlhola, 2010). In contrast to the supply-side and individual factors which dominate the neoclassical model of the labour market, segmentation theory emphasizes demand-side and organizational features (Ntlhola, 2010). Segmentation in the employment market arises because of various job attributes rather than differences in worker features, such as education and training (Saracoglu, 2005). Informal labour markets often employ groups which are often weak as most groups searching for jobs are often segmented from good quality (Learning Space, 2008). This job rationing is the essence of labour market segmentation (Ntlhola, 2010).

Factors that characterize the informal sector of the less-developed countries:

- Formal sector unemployment - there is no welfare net to catch the unemployed who thus have to become involuntarily employed and eventually join informal sector employment to survive (Ntlhola, 2010). This is the sector in which the

taxi industry fits in as it comprises of many young black South Africans who are unemployable, who often find jobs in the taxi industry in order to survive.

- Complicated/restrictive rules and regulations - these include labour legislation that may prevent more employment in the formal sector; registration cost of a business that forces it into the informal sector (Ntlhola, 2010).
- Decline of “civic vetoes”- informal sector businesses take care of themselves with no perceived benefit of formalizing the business (Ntlhola, 2010).
- Rise in taxation in the formal sector - forces those formal sector businesses that are making very small profit into the informal sector as rising costs tip average cost above average revenue (Ntlhola, 2010).

Employees and employers leave the formal sector to join the informal sector due to reduced work opportunities or profit in the formal sector economy (Ntlhola, 2010). Also, it becomes difficult to obtain a job in the formal sector because of the level of education, the job search costs, as well as the discriminating procedure in the hiring process (Ntlhola, 2010).

Another characteristic of the dual labour market is the operation of an “internal” labour market in the formal sector, meaning that many job positions are not filled by posting vacancies in the market but rather by internal promotion, while the “external/outside” market is the source of recruitment to the informal sector (Ntlhola, 2010). The informal sector labour market is thought of as providing flexibility to the economy. The workforce in the informal sector is used to adjust to fluctuations in labour demand, including fluctuations induced by regular economic changes (business cycle) (Ntlhola, 2010). For instance, a firm might use a core formal sector workforce along with informal sector workers who may be fired during times of economic downturn (Ntlhola, 2010).

Firms are more likely to utilize a “secondary” workforce when greater demand fluctuations are expected (Ntlhola, 2010). The secondary workforce comprises

occupations that tend to pay lower wages, have insecure employment, and provide less opportunity for advancement (Ntlhola, 2010).

2.4 The South African Taxi Industry

The main objective of any organization is maximizing the net present value of profits over its lifetime (Grant, 2010:34). The strategy the business has at its disposal is, therefore, a quest for value through profits, for itself as well as for its customers (Grant 2010:37). Profit has been described as the surplus of revenues over costs available for distribution to the owners of the firm (Grant 2010: 35). The value that firms or organizations thus create is then distributed among different parties including employees in the form of wages and salaries; lenders through interest, landlords in rent, government in the form of taxes, and owners in the form of profit (Grant 2010). The value that firms create goes to such an extent that the satisfaction the customers gain far exceeds the price they pay (Grant, 2010: 35). A firm, therefore, operates for the benefit of multiple constituencies, that is, its stakeholders (Grant, 2010).

From a strategic point of view, the goal of maximizing profit which also refers to maximizing enterprise value involves analyzing the firm's current and past performances (Grant, 2010). This requires identifying the current strategy the firm is utilizing and, then, assessing how well the strategy is doing in terms of the financial performance of the firm (Grant, 2010). The next step would be identifying the sources of unsatisfactory performance (Grant, 2010). Performance analysis involves forward-looking performance measures: stock market. This involves looking at the firm's cash flows over the rest of its life. This is not always easy with private companies but is possible with public companies which are listed in the stock market. However, certain challenges may prevent this from happening. How an organization deals with its problems is essential for its success.

The Taxi industry differs from formal markets in the sense that it has not been officially regulated for as long as it was created. There is no official normative framework present. It deviates completely from the existing official regulation but is

neither controlled, enforced nor recorded in official documents (Vande Walle, 2008). This means that it has not been as protected as the formal markets are and is therefore a risky market. The taxi industry is considered volatile and much flexible since it has more latitude than a strictly organized economy (Vande Walle, 2008), however, it is not poverty or migration linked industry. It solely depends on the concrete context and the goals of participants in the industry or area. It would be interesting to find out what the actual goals of this industry are and whether these are fulfilled through their daily economic activities or not, and if not, what measures are undertaken in order to fulfill these. This could be done by studying the economic activities of the Taxi industry, in particular, financial management, customer relationship management, and the effects these have on the tripartite relationship between Taxi owners (employers), drivers (workers) as well as customers (commuters). However, because of the limited nature of this investigation, only one aspect, namely, personal financial challenges facing the taxi drivers, will be investigated.

A large body of international literature has documented strategic challenges facing the transport system at large in other departmental and whole-of-government strategies. These include a rapidly growing and even more rapidly ageing population, a growing economy, increasing costs in a context of tight fiscal constraint, the need to transition to a low carbon future, and high government and public expectations (Queensland Strategic Plan 2010-2015). The above challenges are, however, global. Anticipated are other challenges which are more local and more personal to South African taxi industry. Examples of these could be managing cash inflow and outflow, dealing with customer shortages, daily expenses, loan repayments, and dealing with employees (drivers).

Literature in the South African context which taps into these issues is often scarce. Most literature discusses issues such as service delivery in the taxi industry under four TQM elements:

- Leadership
- Employee involvement
- Product/ process excellence and,

- Customer focus (Gule, 2009).

Another study focused on exploring and determining the views of minibus taxi commuters who utilized minibus taxis as a form of public transport, as well as the views of minibus taxi drivers in terms of adhering to road safety requirements on Stanford Road in Port Elizabeth (Ferreira, 2010).

The literature that is relevant to this study which constitutes the South African taxi industry is more than five years old, and it speaks directly to the South African taxi industry on issues such as, background to the industry, employment, accidents, Taxi recapitalisation, employment in the industry, and labour legislation (Barrett, 2003). This study therefore greatly relies on this literature for basic information as this is its focus. This is one of the limitations of this study.

The South African Taxi industry is a fast-growing industry and greatly contributes to the economic growth of the country. It also contributes to the decrease of unemployment problem that perpetually faces South Africa. In spite of the growth in the industry, with regards to remuneration, its employees, namely, the taxi drivers still receive far less than expected. Their working hours, conditions prove to be terrible, and their expenses escalate daily. Previous research reveals that based on estimates of passenger numbers, turnover has been estimated at ZAR 11 million a day and ZAR 12.6 billion a year (Barrett, 2003). The research could not ascertain any estimates of profit margins (Barrett, 2003). SATAWU organizers and workers estimated a driver's income in Pretoria or Johannesburg to be around ZAR 300 per week, but this can vary widely, even within the province of Gauteng (Barrett, 2003). For example, some earn as little as ZAR 160, others up to ZAR 500 per week. This often leads to drivers stealing as owners or association heads become greedier (Barrett, 2003).

In spite of the violent nature of the industry, dangerous both to commuters and those who control it in all informal markets; it is still perceived as the most viable source of public transport to poor South Africans, and of Black Economic Empowerment (Barrett, 2003). The minibus-taxi industry is mostly associated with most of the daily horrendous accidents and deaths on our South Africans which are mostly due to the

poor conditions of vehicles and the drivers who are indifferent towards road safety regulations (Barrett, 2003). The industry has thus earned a bad name for its disregard of the South African law, government corruption and mafia-style murders as a means of resolving disputes (Barrett, 2003, Makae 2009). However, on a positive angle, the taxi industry has vastly grown from an illegally operating industry to a net worth of R10 billion, a black economic empowerment industry almost completely controlled by blacks (Barrett, 2003).

However, as early 2005 attempts at regulating the industry have been made (Makae, 2009). The South Africa government has introduced some legislation governing improvement in the industry as well as setting up some salary guidelines for the industry. Studies have revealed that the industry is still as uncontrolled and flexible as it has ever been. This means that the industry still does not adhere to the set guidelines. This poses a problem in a country which seeks equal treatment for its employees through the current labour laws, such as Employment Equity. Due to the above problems it is hypothesized that taxi drivers currently experience problems with regards to inadequate salaries, and hence their saving and spending patterns are greatly disturbed.

2.5 Economic Contribution

Despite its size and economic importance, the total value of the kombi taxi industry, either in terms of contribution to GDP or in terms of turnover is not known, in part because most owners are not registered tax payers and their turnover is not recorded anywhere (Barrett, 2003). Based on estimates of passenger numbers, turnover has been estimated at ZAR 11 million a day and ZAR 12.6 billion a year (Barrett, 2003). The research could not ascertain any estimates of profit margins.

Most government statistics on transport exclude the kombi taxi industry, presumably because of the informal nature of the industry (as noted earlier, owners do not register for tax purposes and employees are not registered for contributions to any social services and/or benefits) (Barrett, 2003). While financial turnover is enormous, the

State receives virtually nothing in taxes from owners and employees in the industry (Barrett, 2003).

The exact racial breakdown of taxi ownership is also not known but is estimated at 90 per cent Black-owned, making the industry one of the biggest concentrations of Black-owned capital in the country (Barrett, 2003).

2.6 Employment in the Taxi Industry

On the assumption of 1.5 employees for every operating vehicle, there are approximately 180,000 workers in the kombi taxi industry (Barrett, 2003). Employment relations tend to be precarious and, for most workers, no formal contract of employment exists (Barrett, 2003). There are no national minimum labour standards and no standard formula for wage payment.

Workers comprise drivers, queue marshals, vehicle washers and, in some areas, fare collectors (Barrett, 2003). Responsibility for the employment of the different categories of worker is divided between the taxi owners, their associations and drivers (Barrett, 2003).

2.7 Personal Financial Challenges in the Taxi Industry

Financial Management has been defined as planning, organizing, directing and controlling the financial activities such as procurement and utilization of funds of the enterprise (Management Study guide, 2012). This involves the application of general management principles to financial resources of the enterprise. Financial management is, however, not limited to the management of funds of an enterprise but also to an individual managing his or her financial affairs. In literature, financial management is an activity that is made by a business or entity involving making investment decisions which could be in fixed assets, stock and making financial decisions such as dividend decisions which the finance manager has to take regarding the net profit distribution, which generally includes dividend to shareholders and retained profits (Financial

Management Study guide, 2012). Not only businesses or entities need to make these decisions about their finances, but individuals as well. This is because the life of an individual is unpredictable. This, therefore, requires meticulous financial management skills to manage an individual's financial affairs.

Due to the nature of their jobs, the South African taxi drivers face huge challenges with regards to the dangerous nature of their jobs as well the inadequate salaries they currently receive. It has been documented that the issue of remuneration or salaries has been discussed from as early as 2005 by the South African government and the South African Taxi Association Workers union (Barrett, 2003).

2.8 Budgeting as a Financial Challenge

A budget is an instrument that puts a person in charge of the financial health of his affairs. It is often perceived as an objective measure of financial underpinnings of an individual's operation (Okello-Obura & Kigongon-Bukenya, 2008). A budget enforces a structured and objective accountability with regards to one's financial activities. In addition, a budget has been described as a tool that facilitates planning and resource allocation (Okello-Obura & Kigongon-Bukenya, 2008). According to these authors, a budget assists an individual to enumerate, itemize, dissect and examine all of the products and services that he/she offers to his/her patrons/clientele. From the above, it is clear that the most visible public relations tool one has and can utilize to highlight his financial skills, while demonstrating his contribution to the bottom line is the budget (Okello-Obura, C & Kigongon-Bukenya, 2008). Due to its informal nature and deregulation, the taxi industry faces huge challenges when it comes to the remuneration of taxi drivers, its employees. This poses huge financial challenges for them which in turn make it difficult for them to adhere to disciplined measures of budgeting.

It is the aim of this study to investigate if taxi drivers adhere to disciplined measures of budgeting or not.

2.9 Remuneration of Drivers

Drivers constitute the majority of workers in the industry. The ratio of owner-drivers to wage-employed is not known, but there are considerably greater numbers of wage employed than self-employed drivers (Barrett, 2003). According to Barrett (2003) wage-employed drivers are employed by individual owners and are paid in four different ways:

- Some drivers receive no basic wage, but pay a fixed percentage of the week's takings to the owner, keeping the rest as income.
- Under the 'wage/plus system', the driver receives a basic wage and pays a portion of the takings to the owner, keeping the rest as income.
- A fairly uncommon system is where all the takings are handed to the owner and the driver receives a regular wage.
- The driver may hand over all takings to the owner, except the takings of one designated day in the week.

Kombi taxi owners claim that up to 50 per cent of takings are stolen by drivers (Barrett, 2003). They very often publicly justify the low wages paid to drivers by arguing that drivers pocket large sums of cash (Barrett, 2003). Drivers interviewed do not deny that some of the takings are pilfered, but they say that the scale is far smaller than the owners claim (Barrett, 2003). They also argue that low wages lead them to steal some of the revenue obtained each day. Such counter-claims and differences in interpretation are fuelled by the absence of reliable information on the real takings of the industry (Barrett, 2003).

2.9.1 Wages

SATAWU organizers and workers estimated a driver's income in Pretoria or Johannesburg to be around ZAR 300 per week, but this can vary widely, even within the province of Gauteng). "It depends largely on how much the guy at the top is

creaming off. The greedier the owner (or association head), the more likely it is that the driver will steal” stated another driver.

Drivers maintained that when workers’ vehicles break down, their weekly pay is reduced. They further claim that the daily collection of cash fares amounts to around ZAR 600, of which at least ZAR 300 goes to the owner and the remainder on fuel costs for the eleven or so trips between Johannesburg and Soweto a day. Most workers report that their employers are “very wealthy” (Barrett, 2003).

Focus group participants said that most drivers under their association, including themselves, are in debt to loan sharks (Barrett, 2003). Very few drivers ever manage to save the capital required to become an owner: “The only way to become an owner is to win the lotto or the horses.” Driver Margaret Zungu says that her son, who is in his final year at university where he is studying engineering, is determined to raise a loan to buy her a taxi as soon as he is earning (Barrett, 2003).

“Queue marshals working for an association in Gauteng reported earning ZAR 250 per week. They collect their pay every Wednesday from the association’s office, and are issued with a pay slip. No deductions for unemployment insurance are recorded and there are no benefits. Queue marshals receive three weeks’ paid leave a year, in contrast to most drivers, who receive no pay during any time they take off as leave” (Barrett, 2003).

2.10 Hours of work

According to focus group participants, average hours of work per day are 14 hours from 5am – 7pm (Barrett, 2003). After the morning rush, drivers line up their taxis “ten by ten” (i.e. in queues of ten kombi taxis) at the city taxi rank allocated to their owners’ association. The queue marshals release the taxis one by one, according to passenger demand (Barrett, 2003).

2.11 Crime

Most drivers of long standing have experienced some form of serious crime or aggression, irrespective of their age or gender (Barrett, 2003). Crime in the industry comes in many forms. For instance, war over routes.

2.11.1 The current situation facing the Umbumbulu taxi rank relating to finance War over routes

The Folweni rank has waged war against Umbumbulu rank against the issue of pick-ups/loading. Folweni rank feels they should have a right to load up to Phezukomkhono, a route belonging to Umbumbulu rank. They, however, do not allow Umbumbulu taxis to load on their (Folweni) route. The argument against this is that Umbumbulu is not a very busy route compared to Folweni, as one driver stated. This means it takes longer for Umbumbulu taxis to get full load. It could take a few hours before a taxi can get a full load, therefore. This means daily targets at Umbumbulu, a rural area, are quite low compared to areas such as Folweni which are semi-rural. This has a considerable effect on daily targets thus affecting taxi drivers' remuneration a great deal. Due to time constraint, this study did not allow the researcher to make a comparative study on both or more ranks in order to estimate the degree of such experiences. These are the elements which eventually lead to assassinations committed by taxi owners to each other. However, the individual that becomes caught in between is the taxi driver who may lose his/her life due to this. This brings in the element of risk that is faced by both taxi owners and drivers in the industry.

Long hours of work

When drivers have to work long hours of work, for instance, until there are no commuters on the road, then their lives are exposed to dangerous situations on daily basis. They are at risk of losing their lives on daily basis due to unsafe exposure to armed robbery and hijacking.

Road rage and Accidents

Due to the nature of their work, drivers are always at a rush for the next load. This leads to road rage which takes place between taxi drivers and drivers of other vehicles such as motor cars and buses that also are in need of the same roads. This often leads to cases of extreme anger leading to murder. Also, due to the daily rush taking place in the mornings and afternoons, that is, at peak hour, horrendous accidents occur on a daily basis. Not only commuters lose their lives but also drivers. Most accidents happen because taxi drivers have set targets of revenue that they have to reach each day, weekend or during public holidays. This element, therefore, puts their lives at high risk.

2.12 Risk

Vaughan & Vaughan (2008:2) define risk as “a condition of the real world in which there is an exposure to adversity”. These authors further define risk as a condition in which a great possibility of an adverse deviation from the desired outcome that is expected or hoped for is inevitable. Risk carries a greater possibility of loss. This means that the probability of loss occurring is between zero and one, meaning it is neither impossible nor definite (Vaughan & Vaughan, 2008). Uncertainty, a term defined as a state of mind characterized by doubt based on lack of knowledge about what will happen or what will not happen in the future, is closely related to risk (Vaughan & Vaughan, 2008). Risk has been classified into three categories, namely, fundamental and particular risks, pure, and speculative risks (Vaughan & Vaughan 2008). Fundamental risks incorporate losses that are impersonal in origin and consequence, such as group risks caused mostly by economic, social, and political phenomena even though they may occur from physical phenomena (Vaughan & Vaughan, 2008). Particular risks, on the other hand, involve losses arising from individual events and are felt by individuals rather than by the whole group. These can

be static or dynamic. Examples include unemployment, war, inflation, earthquakes and floods. Pure risks are classified into four types, namely, personal, property, liability, as well as risks arising from failure of others (Vaughan & Vaughan, 2008). Personal risks include a possibility of loss of income or assets as a result of the loss of the ability to earn income. Earning power is said to be subject to four perils, namely, premature death, dependent old age, sickness or disability, and unemployment (Vaughan & Vaughan, 2008). Property risks pertain to loss of property through destruction or theft. Liability risks involve unintentional injury of other persons or damage to property through negligence or carelessness, or even intentional injuries or damage (Vaughan & Vaughan, 2008), and risks arising from failure of others, such as when the other person fails to adhere to his or her agreement to perform certain services or obligations hoped for to be met.

The above conditions of risks face individuals and entities on daily basis including the taxi industry, especially drivers. Taxi drivers face both fundamental and pure risks everyday. Previous studies have documented the inevitable cases of taxi violence, road rage violence, as well as, road accidents. Due to collisions exorbitant numbers of commuters and drivers lose their lives on daily bases (Barrett, 2003). This poses threats and the necessity for the South African taxi drivers to consider ways for managing risks they are exposed to.

2.13 Risk Management versus Insurance

Risk management has been defined as ‘a scientific approach to dealing with risks by anticipating possible losses and designing and implementing procedures that minimize the occurrence of loss or the financial impact of the losses that do occur’ (Vaughan & Vaughan, 2008: 16). Two broad techniques that can be utilized in risk management are risk control and risk financing. Risk control is defined as the minimization of the risk of loss a firm or an individual is exposed to and it includes techniques of ‘avoidance and reduction’ (Vaughan & Vaughan, 2008:18). Risk financing, focuses on arranging the availability of funds in an attempt to meet losses that arise from risks that remain

after the application of risk control techniques, as well as, tools of retention and transfer (Vaughan & Vaughan, 2008).

Insurance management, on the other hand, means dealing with risk through insurance. While risk management evolved as a function of business, insurance management involves individuals setting aside a premium on a monthly or annual basis for the protection of their assets and income against loss. Insurance has been defined as ‘a term embracing an entire array of institutions that deal with risk through the device of sharing and transfer of risks’ (Vaughan & Vaughan, 2008). Types of insurances include, firstly, life insurance, where an individual is protected against premature death; secondly, health insurance, which is an insurance against loss by sickness or accidentally bodily injury; and, lastly, property and liability insurance, which involves protection against losses resulting to/from loss of property and loss arising from legal liability (Vaughan & Vaughan, 2008). While these are applicable to most South African employees one cannot help wondering if taxi drivers, who are also employees in their own capacity, happen to take care of risks they are exposed to in their place of employment, and if their income does allow them to take care of such risks. This is the portion this study hopes to uncover. This will also be determined by the probability and priority rankings of the taxi drivers. Probability and priority ranking refers to an ability to determine which exposures characterized by high frequency, other things being equal, should receive attention before exposures with low loss frequency (Vaughan & Vaughan, 2008).

2.14 Responsibility for traffic fines

In the taxi industry it is standard practice that drivers are held responsible for traffic fines (Barrett, 2003). Typical offences that drivers are charged for are, for instance, the absence of a fire extinguisher, non-functioning horn or handbrake or worn tyres (Barrett, 2003). According to one driver, drivers are forced to choose between paying fines and/or bribes and losing their job: “The owner doesn’t care and doesn’t pay the fines. The [fine] tickets are made out in your name and so if you don’t pay you get arrested for contempt [of court]. Some drivers finish by owing up to ZAR 10,000 and

are condemned to a long-term jail sentence. If you refuse to drive the vehicle because it's non-roadworthy or got something missing, you're told the job is finished. That's where the bribery of traffic officers starts. Either that or you pay the tickets" (Barrett, 2003).

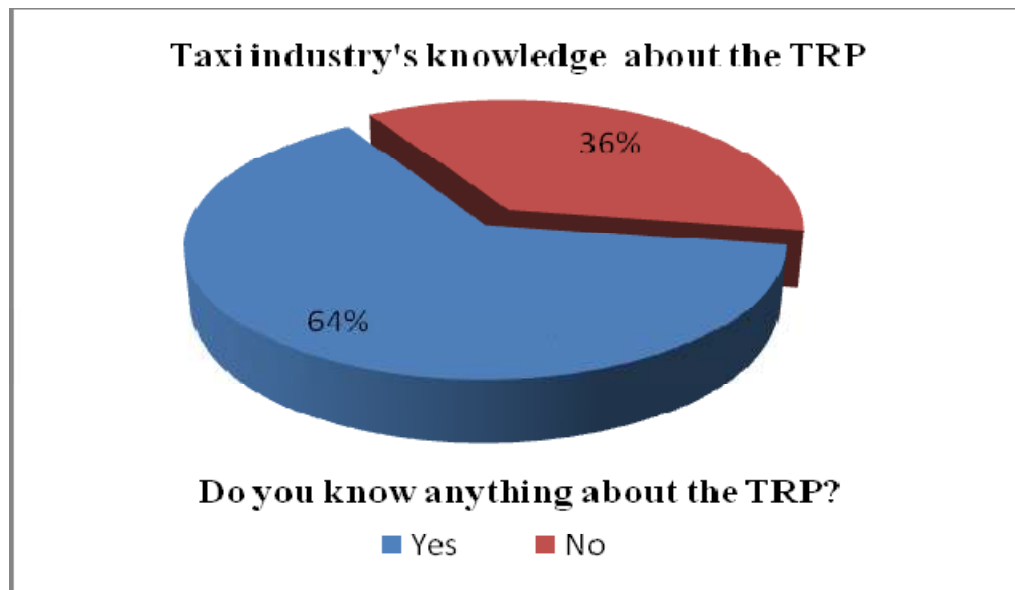
SATAWU expects this exploitation to change when the National Road Traffic Act No. 93 of 1996 is amended to make the owner responsible for all traffic offences related to the condition of the vehicle (Barrett, 2003).

2.15 Taxi Recapitalization Programme (TRP)

The nature of the recapitalization programme was not only to exert measures to regulate the taxi industry but also to allow commuters a platform to lay their complaints about any problems or dissatisfaction they experience in the industry (Makae, 2009). The Taxi Recapitalisation Programme, according to the government, was an innovative socio-economic policy with an aim of regulating, empowering and developing the taxi industry while integrating it within the wider national revenue system (Makae, 2009). This has not transpired as planned and the programme still faces numerous challenges.

Challenges include lack of consultation in the stage of policy formulation and a lack of consideration about the practicalities of implementation (Makae, 2009). The industry still faces issues such as conflicts over routes, unfavourable working conditions, poor systems and processes for the issuing and enforcing of operating licenses, an insufficient vehicle scrapping allowance and a failure to consider the impact that new mini-bus fleet specifications would have on income (Makae, 2009). Previous research on TRP has shown that there are some members of the taxi industry who are either unsure of TRP or have never known anything about it. A study by Makae (2009) indicated the following information as illustrated in the pie chart below.

Figure 2.1



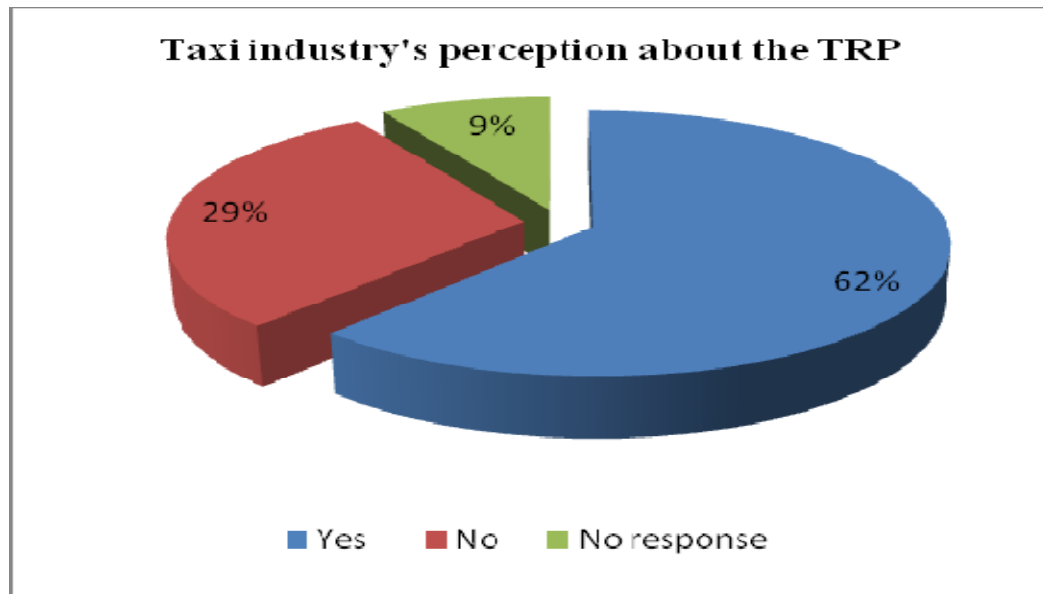
Adapted from: Makae, 2009.

The graph indicated that 64% of the members of the taxi industry have knowledge of what the TRP is while 34% do not know what it is (Makae, 2009). Most taxi drivers and taxi association office-bearers said that the TRP was concerned with regulation, the eradication of violence, subsidization and fleet improvement as the main and original features of the policy (Makae, 2009).

Despite the introduction of a revised Taxi Recapitalisation Programme that began in the 2005/2006 fiscal year (and to function until 2014), taxi violence, operating licence-related problems and unroadworthy vehicles are still features of the industry today (Makae, 2009). Additional problems around the programme resurfaced. These included operational permits, route regulation, vehicle capacity, electronic fare collection which would include tax revenue collection and vehicle tracking (Makae, 2009). The government argued that vehicle tracking would improve the ability to monitor and control operations more effectively, both from an enforcement and operators perspective. Basically, old permits were to be converted into route-based operating licences and, 'no operating license.... [was to]... be issued for longer than five years' (Makae, 2009). Taxi operators are given an amount of R50 000 to either

purchase a new taxi vehicle or to leave the taxi industry upon the scrapping of their vehicles (Makae, 2009). Cokayne claimed that, 'the NTA opposed the recapitalisation programme's R50, 000 scrapping allowance for each registered taxi vehicle'. In a number of recent instances, violence has erupted because of organizations failing to reach consensus with regards to operational routes. The government has failed to successfully address this, leaving taxi operators to solve this problem amongst themselves (Makae, 2009). This continues the circle of violence as no taxi organization is prepared to give up a lucrative route. Many taxi drivers and commuters have lost their lives through violence. At this point in time there are no legal frameworks governing or regulating routes. As such, 'the safety of the taxi industry leaves much to be desired and, if not improved, could pose a threat to the industry' (Makae, 2009). It is assumed that after an organization has applied for a route and is successful (following the assessment of the application for that route in relation to existing operators by an independent body) other taxi associations will recognize and honour the route arrangement. But, ironically, lucrative routes are always contested despite the existence of recognized operators and despite legal documentation that shows which association is legitimately permitted to use a route (Makae, 2009). However, formalization should eliminate 'mafia-like' territorial positioning by addressing the destructive competition issue (Makae, 2009). Given all of these factors it seems that there is no substantial attempt by the government – through the programme - to minimize taxi violence and the amount road accidents, to increase revenue in the industry, and to empower and incorporate the taxi industry in economic growth and development initiatives through subsidizing it (Makae, 2009). Instead, the policy seems doomed to failure as it is plagued with problems ranging from consultation, legitimacy, operating licenses, new vehicle maintenance, rank infrastructure, and payment plans to operators. The government does not heed calls for increased compensation and subsidies, nor address the issues around violence (Makae, 2009).

Figure 2.2



Adapted from: Makae, 2009.

Promoting safety through improved vehicles has been achieved by the government (Makae, 2009). But there are other pressing issues too. Of those interviewed in the taxi industry 62% believe that the TRP is a good programme while 29% do not agree (Makae, 2009). Of these responses, operators somewhat favour the programme because of the larger capacity 23-seater vehicles which they believe increases revenue (Makae, 2009).

2.16 Existing labour law and collective bargaining

The central pieces of labour legislation in South Africa are the Basic Conditions of Employment Act of 1997 (BCEA) and the Labour Relations Act of 1995 (LRA) (Barrett, 2003). The BCEA sets out minimum employment conditions for almost all employees. These do not include minimum wages (Barrett, 2003). But the BCEA makes provision for Sectoral Determinations (which include minimum wages) to be made by the Minister of Labour on advice from the Employment Conditions Commission (ECC) (Barrett, 2003). The LRA stipulates how workers can exercise

their rights, including being represented by trade unions (Barrett, 2003). The LRA makes provision for the establishment of sector-based national bargaining councils, where bodies representing employees and employers are sufficiently representative (Barrett, 2003).

In theory, employees in the taxi industry are covered by the BCEA. In addition, those employees employed by the minority of owners who own more than ten vehicles are also in theory covered by the Wage Determination for the Road Transportation Trade in Certain Areas of July 1988 (Barrett, 2003). Those workers theoretically covered by the Sectoral Determination should likewise be subject to the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 (amended in 1997) as well as the Unemployment Insurance Act No. 30 of 1996 (Barrett, 2003).

All employees in the industry are also covered by the LRA (Barrett, 2003). This means they have the right to join and be represented by trade unions, the right to access the dispute-resolving mechanisms set up by the LRA and the right to take up cases against their employer via the Commission for Conciliation, Mediation and Arbitration (CCMA) (Barrett, 2003). In practice, however, their rights according to the BCEA, the LRA, the Sectoral Determination for the passenger transport sector, as well as the Compensation for Injuries and Diseases Act and the Unemployment Insurance Act, are rarely recognized by owners (Barrett, 2003). Increasingly, industry workers are becoming aware of their rights and are taking cases, especially dismissal cases, to the CCMA through SATAWU or NADTO (Barrett, 2003). But there is no centralized bargaining forum for the industry (Barrett, 2003). This will remain the case as long as only a minority of these workers is organized by trade unions.

2.17 Legal status and objectives

SATAWU, an affiliate of Congress of South African Trade Unions (COSATU) and the international Transport Workers' Federation, is a national trade union registered in terms of the Labour Relations Act of 1995 (Barrett, 2003). The emphasis is on gaining trade union recognition from employers – either individually or through employer associations, depending on the extent of collective organization of employers in a

sector – thereby entrenching the right to bargain collectively; on defending workers against unfair dismissals; on representing workers who have individual grievances; and on representing workers in the setting of training standards and the delivery of skills training (Barrett, 2003). Allied to these activities, SATAWU provides trade union education to its members (Barrett, 2003).

2.17.1 Membership

With a total membership of 100,000, SATAWU is the seventh largest affiliate of COSATU (Barrett, 2003). The majority of its members (95 per cent) are Black; 15 per cent are women, mostly in the contract cleaning industry (Barrett, 2003). The bulk of SATAWU membership is concentrated in the formal economy, with members in the taxi sector being the exception (Barrett, 2003). The union now claims a kombi taxi membership of around 10 000 workers (mostly drivers) of which 2 500 are paid-up members. Today this number has increased to 82 000. While the majority of members are drivers, the other categories of workers, queue marshals in particular, play a critical role (Barrett, 2003). Not only do they perform a strategic function in the industry in that they are responsible for the smooth running of operations in the taxi ranks, but they are also located in a fixed place, unlike their driver counterparts (Barrett, 2003). This makes them more regularly accessible to full-time union officials as well as to taxi sector members (Barrett, 2003).

2.17.2 Finances

The fact that SATAWU organizes across the transport industry as a whole, as well as in two other industries, means that it can rely on regular members' fees paid to the union by means of stop-order deductions agreed with their employers in terms of the LRA (Barrett, 2003). The organizing activities among taxi workers are largely cross-funded from the subscriptions income of workers in other sectors (Barrett, 2003). Paid-up taxi members currently pay their subscription by hand in cash. Individual

members pay their monthly subscription of ZAR 10 to rank stewards who provide receipts and pay a lump sum to the SATAWU office when they have completed a numbered receipt book (Barrett, 2003).

2.18 Governmental Attempts at Regulating the Taxi Drivers Wages

As early as 2005 the South African Government attempted to regulate the Taxi industry through setting up a minimum wage according to the Conditions of Employment Act for drivers at R1 350, R1 080 for marshals, and R985 for collectors and cleaners (Ntuli, 2005). The new regulation stipulated 48 hours of work, 12 hours a day and 36 hours of continuous rests for drivers (Ntuli, 2005).

It would be interesting to find out if taxi owners are adhering to this or not. It would be to the benefit of the research to investigate if all or some of these major undertakings by the South African government are adhered to or not.

2.18.1 Current issues on Taxi Recapitalization Programme

The Taxi Recapitalization Programme was a government's attempt to formalize the industry and replace the old unroadworthy fleet by providing taxi owners with a scraping allowance to purchase the new safer minibuses (Masemola, 2011). However, this added to the expenses already incurred by taxi owners/drivers such as the cost of fuel, vehicle repayment, maintenance, association membership, vehicle licensing and traffic fines (Masemola, 2011). In an attempt to make the business profitable, taxi owners raise the fares thus also decreasing the number of commuters who will be willing to ride their taxis. In order to keep out-of-pocket costs as low as possible taxi operators then spend only on those items they cannot do without such as fuel and postpone vehicle maintenance for as long as possible (Masemola, 2011). Vehicle maintenance has a direct impact on the durability, lifespan, operating costs and safety of the vehicle. Since vehicles are the main asset of the industry vehicle maintenance

become vital in ensuring the sustainability of the industry (Masemola, 2011). However, to a profit-driven industry, vehicle maintenance may be another form of expenditure that should be avoided at all costs (Masemola, 2011).

To avoid this expenditure the vehicle operator may do his own maintenance which may include use of cheaper and non-manufacturer approved parts compared to the genuine parts used by a reputable garage or vehicle service provider (Masemola, 2011). This would result in cost-saving but also to low safety guarantee on the vehicle. In the end the commuter will suffer at the hands of an inadequately serviced vehicle. This not only affects the commuters but also the drivers whose lives are at risk as well.

2.19 Summary

The chapter has looked at personal finance and financial management as a necessary tool that businesses and individuals need to take control of their daily financial activities and develop a healthy financial future. It has defined risk, the management of risk, strategies of managing risk, and budgeting. Secondly, it has also looked at the taxi industry, employment in the industry, challenges faced by the industry, labour laws, and taxi recapitalization and how it is perceived by the general public. Lastly, new trends in the industry have been discussed. The objective of this study is to investigate the spending and saving patterns of the drivers in the taxi industry

CHAPTER 3

METHODS OF DATA COLLECTION AND ANALYSIS

3.1 Introduction

The Literature Review in this study discussed the scope of financial management, financial management and risk, risk and insurance management, customer relationship management, the taxi industry, and legislation in the industry.

This chapter introduces methods of data collection and data analysis used in this study. The study is dependant upon inductive reasoning, which provides a platform for the formulation of a hypothesis. The term is explained later in the chapter. This chapter begins by defining the research strategy utilized in the study, and then discusses and defines tools of data collection and analysis in detail. As the study involves social research, psychological research methods are thus incorporated into the study since the study involves investigating the behaviour, thinking, as well as feelings of individual participants. The term psychology will, therefore, be explained. As psychological research involves critical thinking, the term critical thinking will also be explained. Methods of data collection and analysis such as surveys/questionnaires, quantitative and Correlation will be discussed. This chapter provides a gateway to the analysis of data that follows hereafter, and it is based on a comprehensive understanding of the aims and objectives of this study.

3.2 Research Strategy/Methodology

A strategy is a plan of action designed to achieve a specific goal (Denscombe, 2010:1). The concept has its origins from the artistic manner in which the war generals would have a broad overview of operations, the way they plan specific combat tactics as part of a bigger plan for overall victory, as well as the overall victory they usually achieve after careful planning (Denscombe, 2010:1). Social research retains the same essential components. Denscombe (2010:1) highlights the following as requirements for social research:

- An overview of a project that utilizes ‘the bigger picture’ as basis for deciding on how to approach the research (a research paradigm).
- A rationally designed and carefully constructed plan of action that has the likelihood of offering the best prospects of success (a research design), and
- A clearly identified specific goal that is achievable.

Correlation between a research strategy and methods of collecting data is of utmost importance. In addition to this, the research strategy must meet the objectives of study. The information required by the researcher often determines the type of research method or strategy to be utilized in the research. However, before a research strategy is chosen, the researcher may depend on inductive reasoning. Inductive reasoning involves a process of generalizing from one or more observations about a phenomenon (Barbie, 2010), and then preliminary hypotheses and an integrated theory that explains a set of events are formulated (Dunn, 2010). The downside to inductive reasoning is that unobserved factors that could be responsible for the effects we encounter may be missed (Dunn, 2010: 5). This study is not based on a preliminary hypothesis.

As has been stated above, this study incorporates psychological research methods as well. This is because even though the study involves social research, in addition to the participants’ behaviour, their thinking and feelings will be investigated as well, in order to obtain a comprehensive understanding of how they behave and why. Psychology is known to be a study of behaviour, that is, what people (organisms) do, as well as how they think and feel (Dunn, 2010: 2). Critical thinking is what a researcher needs when conducting a psychological research. Critical thinking may be defined as the thinking skills which promote intellectual focus, motivation, and meaningful engagement with new ideas (Dunn, Halonen, & Smith, 2009; Barbie, 2010). The skills involve the ability to support conclusions with good solid evidence; the ability to engage in practical, creative, or scientific problem solving; the ability to recognize patterns; the ability to identify what you do not know and then search for that needed information; and lastly, develop the ability to evaluate information by adopting different points of view, not just what the researcher initially preferred (Dunn, 2010). These skills will become essential when research is conducted and

analysis is done, but even more critically, when conclusions are drawn and recommendations are made. According to Dunn (2010) the following reasons highlight the significance of research:

- Moving beyond idle curiosity into the formulation of questions.
- Reduction of error and bias in answering questions.
- Testing competing interpretations of events against one another so that the best account of a phenomenon can be isolated.
- To gain perspective on questions, obtain a broader view, as well as go beyond given information.
- To create connections among otherwise disparate sources of information.
- To apply results to the benefit of humanity.
- To effectively communicate your ideas, written or spoken, to other people.

Welman, Kruger and Mitchell (2007:2) define research as a process involving finding scientific knowledge through various objective methods and procedures. Kothari (2008), also, views research as a systematic and scientific search for knowledge on a specific topic. A research strategy differs from a research method. Research methods constitute methods for collecting data; and often include questionnaires, interviews, observation and documents (Denscombe, 2010:4). Research methodology, therefore, is a system where methods and procedures for collection, measurement and analysis of data that the researcher has used in the study are defined and specified (Botha, 2006).

The research strategies used in this study involve the use of surveys and ethnography as mixed strategies. A survey involves viewing something ‘comprehensively and in detail’ (Denscombe, 2010:1). Surveys in social research offer the following advantages:

- Wide and inclusive coverage- a breath of view and the ability to ‘take it all in’ (Denscombe, 2010:1).
- Surveys offer a snapshot of how things are at a specific point in time.

- As survey involves ‘looking into’, it brings with it the idea of empirical research- going out to look for the necessary information ‘out there’ (Denscombe, 2010:1).

Surveys can be used when a researcher seeks factual information relative to groups of people: what they do, what they think, and who they are (Denscombe, 2010). Surveys are also recommended when a researcher wants to deal with specific issues and, at best, when he/she knows exactly which factors are significant and the kind of information he/she requires. Lastly, surveys are excellent ways of looking at patterns of activity within groups or categories of people (Denscombe, 2010). There are seven types of surveys that can be used, namely, postal, internet, telephone, group-administered, face-to-face, observational, and documents. Face-face surveys are used for the purpose of this study. As mentioned above, a research strategy has to go hand in hand with the purpose of the research. Surveys in this study are used to measure some aspect of a social phenomenon or trend (in this case, the spending and saving patterns of individual minibus taxi drivers), as well as to gather facts in order to test a theory (that is, the hypothesis in the study) (Denscombe, 2010).

When conducting face-to-face surveys, a researcher can’t help but be part and parcel of what is happening around him/her. Ethnographic approach/strategy comes in handy at this moment. Ethnography, therefore, will be a useful tool when studying cultural practices and traditions associated with the behaviour of the respondents, and it will help interpret social interaction within the culture of the respondents (Denscombe, 2010). This will be beneficial to the researcher who needs to understand the respondents as wholesome individuals. A combination of face-face surveys studying the behaviour, thinking and feelings of participants and ethnography provides comprehensive information about individuals under study.

With regards to feasibility, it has been deduced that the research can be done within the specified time (six months), allowing enough time for research design, data collection and analysis of results.

The research strategies to be used are ethical as they cover all the aspects of ethics as pre-requisite for research. To ascertain this, the research ensures the following measures are undertaken:

- the anonymity of the respondents
- the confidentiality of data
- making participants to understand the nature of the research and their environment
- informing the participants that participation is voluntary (Sekaran, 2010).

3.3 Aim and Objectives of study

An aim of study is what the research aims to achieve. Objectives, on the other hand, indicate specific issues that will be investigated in relation to the overall aim. Research objectives are relative points which the study hopes to achieve and from which research questions are formulated.

3.3.1 Aim

The aim of this research is to study the personal financial challenges taxi drivers in Umbumbulu are facing with regards to saving and spending.

3.3.2 Objectives of Study

The objectives of the research, therefore, are:

- a) To investigate the personal financial challenges facing taxi drivers at Umbumbulu.
- b) To determine the effects of these challenges on the taxi drivers themselves.
- c) To determine the effects of these challenges on the taxi drivers' families.

- d) To investigate strategies that are applied by taxi drivers to deal with these challenges.

3.4 Participants and Location of study

Since collecting data from the whole population may be time consuming and expensive, sampling often saves time and money. The study employs only 27 taxi drivers who will participate in this study. The study takes place at the Taxi rank of Umbumbulu, south of Durban.

3.5 Sampling

As collecting data from large numbers of a population is often expensive and time consuming, sampling becomes inevitable. Sampling is defined as “a process of selecting a sufficient number of elements from the population, so that a study of the sample and an understanding of its properties or characteristics would make it possible for us to generalize such properties or characteristics to the population elements” (Sekaran, 2003). Sampling saves money and time. Before sampling can be done, the researcher has to define the population (Sekaran, 2010).

3.5.1 Population and Sample

Rather than referring to everyone who lives in the country, the term “population” refers to all items in the category of things to be investigated (Denscombe, 2010:23). Therefore, if, as is the case in this study, a survey is used to study minibus taxi drivers in Umbumbulu, then the sample refers to those taxi drivers who are selected to take part in the research. By selecting a sample from a population, a researcher may be attempting to obtain a representative sample, in the case of larger surveys, or an exploratory sample, in the case of small-scale research, and tends to use qualitative data (Denscombe, 2010:24). An exploratory sample may be utilized for probing

unexplored topics and with the aim of discovering new ideas or theories (Denscombe, 2010). In this case, therefore, the selection of a sample is not always to obtain an accurate cross-section of the population (Denscombe, 2010). The aim of this study is to obtain a representative sample.

3.5.2 Sampling design

Generalisability of the results from a sample taken from a population is often very important in research (Zwane, 2011). The results are said to be meaningful only when they are generalisable, that is, they can provide meaning beyond the limited setting in which they were originally obtained (Welman et al. (2007:55). While sampling has been said to be a process of selecting a sufficient number of the relevant elements from the population, this is the element which often makes generalisability, including those not selected in the sample, possible (Sekaran & Bougie 2010). It is maintained that a sample should be the best representation of the characteristics of the population (Terre Blanche, 2006).

According to Kothari (2008) a good sample design must have the following characteristics, therefore:

- It must result in a truly representative sample.
- It should minimize sampling error.
- It must minimize systematic bias.
- The results from the sample should be applied to the population from which it was drawn with a reasonable level of confidence. (Kothari, 2008)

Dunn (2010) categorizes two sampling techniques in research, namely, *probability sampling* and *non-probability sampling*. The advantage of using probability sampling is that it awards researchers an opportunity of selecting participants by chance (Dunn, 2010). In simple random sampling every member of a population has an equal chance of being selected to be in the sample (Dunn, 2010; Curwin, J. & Slater, R. 2008). In

theory, the characteristics of any given simple random sample should closely match the characteristics of the population from which it was drawn (Dunn, 2010: 205). Denscombe (2010) describes the Pragmatic Approach to sample sizing. This approach is relevant for smaller scale surveys using non-probability sampling from a representative sample. It comprises social research with relatively small numbers between 30 and 250, and when estimating the required sample size such as surveys tends to depend on non-probability sampling (Denscombe, 2010). There are two reasons for this dependence on non-probability sampling:

- **Resources.** Reasons tend to play a big role when research doesn't happen within the specified time and more money is spent. The study has to be tailored such that it meets the constraints imposed by the amount of time and money to be spent on the research (Denscombe, 2010).
- **Nature of the research population.** If they are small or medium-sized enterprises with workforce of less than 250 people the researcher is forced to work with smaller numbers (Denscombe, 2010).

The pragmatic approach subscribes to the belief that used efficiently; non-probability sampling techniques can produce data which are sufficiently accurate for the purposes of research (Denscombe, 2010). The pragmatic approach takes the position that the aim is to obtain accuracy that is good enough for the purposes of research within the resources available for research (Denscombe, 2010). This is the approach this study is taking.

3.5.2.1 The Non-probability Sampling technique

This study employs purposive sampling (hand-picked for the topic). Purposive sampling operates on the principle that the best information could be obtained from a relatively small number of deliberately selected sample hand-picked on the basis of their known attributes rather than through random selection (Denscombe, 2010). With this type of research the sample is selected on the basis of:

- *Relevance*: to the issue/theory being investigated
- *Knowledge*: privileged knowledge or experience about the topic (Denscombe, 2010:35).

Purposive sampling works effectively where the researcher has prior knowledge about the specific people or events and deliberately picks particular ones for the production of the most valuable data (Denscombe, 2010). These participants are selected with a particular purpose in mind, and the purpose reflects the particular characteristics of the people or events chosen, their relevance to the topic as well as their experience or expertise to provide quality information and valuable insights on the research topic (Denscombe, 2010; Curwin, J. & Slater, R. 2008). The advantage of using purposive sampling is that ‘it allows the researcher to home in on people or events which there are good grounds for believing they will be critical for the research’ (Denscombe, 2010: 35).

3.5.2.2 Advantages of Surveys and Sampling

There are four known advantages for using surveys and sampling:

- **A focus on empirical data.** The emphasis is on obtaining data from the real-world or ‘straight from the horses’ mouth’ (Denscombe, 2010: 49).
- **Can collect both quantitative and qualitative data.** Large volumes of data can be obtained through the self-completion questionnaires, which usually generate large volumes of quantitative data that can be analyzed statistically (Denscombe, 2010: 49).
- **Wide and inclusive coverage.** In large-scale questionnaire surveys generalizations can be made out of a wider population, while in small-scale interview surveys sampling techniques used can allow the researcher to ‘build up a picture based on data which includes full range of relevant items or people’ (Denscombe, 2010: 49).

- **Cost and time.** Surveys can be efficiently and relatively inexpensive means of collecting data. Results can be obtained over a relatively short period of time and time could be the only significant cost involved (Denscombe, 2010).

3.5.2.3 Disadvantage of Surveys and Sampling

- **Tendency to focus on data more than theory.** Due to the emphasis on empirical data there is a tendency to leave ‘data to speak for itself’ (Denscombe, 2010) without an adequate account of implications of those data for relevant issues, problems and theories. The importance of the data can be ignored (Denscombe, 2010).

3.6 Data Collection in Descriptive Research

Data can be described as primary and secondary data. Primary data often refers to first-hand information the researcher obtains on the variables of interest for the specific purpose of the study (Sekaran & Bougie 2010:180). Secondary data, on the other hand, refers to information obtained from sources that already exist, such as literature (Sekaran & Bougie, 2008:180). The method to be used in the collection of data is often informed by the type of data required. Sekaran (2003) highlights a few methods of data collection, namely, questionnaires or surveys, interviews, observations or focus groups.

3.6.1 Questionnaire design

The types of questions that will be asked are closed-ended questions that require a limited number of response alternatives that will be categorical and numerical (Dunn, 2010). Categorical response format includes the yes-no question, and numerical will involve the Likert-type scale that will allow respondents to rate their degree of agreement or disagreement with opinion statements.

Advantages of using questionnaires are as follows:

| Mode of data collection | Advantages | Disadvantages |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Personally administered questionnaires | <p>Can establish rapport and motivate respondents.</p> <p>Doubts can be clarified.</p> <p>Less expensive when administered to groups of respondents.</p> <p>Almost 100% response rate ensured.</p> <p>Anonymity of respondents is high</p> | <p>Organizations may be reluctant to give up company time for the survey with groups of employees assembled for the purpose.</p> |
| Mail questionnaires | <p>Anonymity is high.</p> <p>Wide geographic regions can be reached.</p> <p>Token gifts can be enclosed to seek compliance.</p> <p>Respondents can take more time to respond at convenience. Can be administered electronically, if desired.</p> | <p>Response rate is almost always low. A 30% rate is quite acceptable.</p> <p>Cannot clarify questions.</p> <p>Follow-up procedures for non-responses are necessary.</p> |
| Electronic questionnaire | <p>Easy to administer.</p> <p>Can reach globally.</p> <p>Very inexpensive.</p> <p>Fast delivery.</p> <p>Respondents can answer at their convenience like the mail questionnaire.</p> | <p>Computer literacy is a must.</p> <p>Respondents must have access to the facility.</p> <p>Respondents must be willing to complete the survey.</p> |

Table 3.1: Advantages and disadvantages of questionnaires (Adapted from Sekaran and Bougie, 2010, Research methods for business, Wiley, West Sussex)

3.7 Pretesting and Validation

Every research instrument is pretested and validated to detect any weaknesses that may be present with regards to the design of that instrument (Sekaran, 2010). There are two steps involved in the pretesting and validation of a research instrument to ensure reliability (Sekaran, 2010).

3.7.1 Pretesting of the questionnaire

Before a questionnaire is sent out to the respondents it is vital that it be pretested and validated to enhance its accuracy and consistency of the responses (Sekaran, 2010). The accuracy and consistency can be achieved through pre-testing the questionnaire using a small number of responses with characteristics similar to the target population (Hair, Money, Samouel & Page, (2007). Though the questionnaire was not pre-tested as stated above, but more time was spent on questionnaire design and language to ensure clarity and unbiasedness. The questionnaire was discussed with the supervisor and a number of questions were reformulated and rearranged. Grammatical errors and language inappropriacy as well as register were corrected. Finally, the questionnaire was translated into Zulu to accommodate the illiterate and semi-literate respondents.

3.7.2 Validation of the Questionnaire

Hair et al. (2007) define an instrument's validity as the determination of the extent to which the instrument actually measures what it is supposed to measure. There are different ways of assessing the validity of an instrument (Sekaran, 2010). This research, however, explores only two; namely, content validity and construct validity.

- Content (face) validity ensures that the measure includes an adequate and representative set of items that tap the concept (Sekaran 2010). The more the

scale items represent the domain or universe of the concept being measured, the greater the content validity stated (Sekaran, 2010).

- The construct validity of a measuring instrument refers to the degree to which it measures the intended construct rather than irrelevant constructs or measurement error (Welman, Kruger & Mitchell, 2007). The measuring instrument must be able to measure that which it is supposed to measure (Zwane, 2011).

This was done through ensuring that different types and levels of questions were included in the questionnaire. In the end, the supervisor was satisfied with the questionnaire.

3.7.3 Reliability

Reliability is concerned with the findings of the research and relates to the credibility of the findings (Welman et al. 2007). The reliability of a measuring instrument indicates the extent to which the measure is without bias (error free) and hence offers consistent measurement across time and across various items in the instrument (Sekaran 2003). A measuring instrument is reliable if it produces consistent results (Zwane, 2011). Two important aspects of reliability are stability and consistency.

According to Sekaran (2010) stability relates to the ability of a measure to remain the same over time despite uncontrollable testing conditions or the state of the respondents themselves, and consistency relates is indicative of the homogeneity of the items in the measure that tap the construct. Stability of measures is achieved by: Test–retest reliability is to administer the instrument on at least two occasions to the same large, representative sample from the population for which the instrument is intended (Welman et al. 2007) and the test-retest coefficient attests to the reliability and stability across time. Due to time constraints, this measure could not be undertaken.

3.8 Questionnaire Administration

3.8.1 Surveys

A survey refers to viewing something comprehensively and in detail. The purpose of doing surveys is usually to obtain data for mapping. Surveys are useful as they can provide a snapshot of how things are at a specific point in time (Denscombe, 2010). This could be useful in bringing things up to date and provide the current state of affairs. Also, surveying involves going out there to seek the necessary information.

3.8.2 Face-to-Face Surveys

The type of survey utilized in this study incorporates face-to-face surveys. Face-to-face surveys involve direct contact with individual respondents. It normally involves making use of various forms of questionnaires or interviews as their data collection method (Denscombe, 2010:16). Though contact with the respondents can be made through various approaches by the researcher, such as, meeting people in the streets or even calling at their homes or making contact in advance by letter or phone (Denscombe, 2010), the approach the researcher is undertaking is, thus, making the contact with the respondents in advance through a letter to the Umbumbulu Taxi Association. Although this method is viewed as expensive as the researcher has to travel to the location of study from time to time, it is quite useful in the sense that it allows the researcher reasonable time to probe respondents for in-depth information to the data obtained (Denscombe, 2010). Face-to-face surveys offer immediate validation of data. It also allows the researcher, when conducting research, to immediately sense if he/she is given false information. Furthermore, the response rates pose less of a problem, partly, because the researcher can ‘use his/her interpersonal skills and powers of persuasion to encourage the respondent to take part in the survey’, and partly because the researcher can continue to survey until he/she can accumulate the total number of responses required (Denscombe, 2010:17).

This study involves a survey, a general examination of the topic, in the form of questionnaires. According to Sekaran and Bougie (2010:197) “questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest”. Questionnaires can either be structured or unstructured. In this study structured questionnaires will be utilized as structured answers are anticipated due to the structured nature of the questionnaires. The questionnaires will be administered to a group of taxi drivers, using a direct method together with face-to-face interviews where the interviewer will be soliciting responses from interviewees. Survey research, as an applied approach, can be targeted to understand a particular problem or examining the experiences of certain groups (Dunn, 2010). In this study this instrument will be used to study and understand the saving and spending patterns of taxi drivers in Umbumbulu.

3.8.3 Response rates

In research, it is always anticipated that some respondents may not be willing to participate or co-operate. However, it is always essential that the researcher attempts by all means to keep this number to a minimum. To do this, a researcher needs to consider the following that could have a bearing on the likely response rate achieved by the survey:

It is anticipated that there could be some respondents who may not be willing to participate in the study.

- **Nature of the respondents** (sex, age, disability, literacy, employment status, etc). This study has put into consideration that, for instance, firstly, certain people may be too busy to have time to respond, while others, such as retired individuals, may have more time on their hand to respond. Secondly, people with hearing disabilities may be more inclined to participate if special attention will be given to their needs (Denscombe, 2010).
- **Subject of research.** This study takes into consideration that other respondents may be more sensitive than others, while others are considered a taboo

(Denscombe, 2010). As a result topics to be investigated have been carefully selected not to include very intimate or embarrassing matters.

- **Researcher identity** (age, sex, social class, ethnicity, clothes, accent). In this study the researcher has also considered the impact of her presence in the field and knows that she has to avoid presenting herself in a manner that is considered as threatening or unwholesome by the potential respondent (Denscombe, 2010).
- **Nature of contact.** The researcher also has considered the fact that the approach used to connect with the respondents has less negative influence on the response rate.
- **Social climate.** The right to free speech is a great factor that can influence people to willingly collaborate with research and to supply honest and full answers (Denscombe, 2010). The researcher has also considered this by ensuring a provision of free speech atmosphere.

3.9 Methods of Data Analysis

The nature of data analysis will be quantitative as it involves a survey of taxi drivers in Umbumbulu area. A quantitative research approach involving triangulation, a method that involves the use of questionnaires, face-to-face interviews and non-participant observation all at the same time, will be used. Questionnaires constitute a series of questions usually pertaining to the same issue or set of issues (Dunn, 2010). The questions can both be read and answered (usually in writing) by the respondents, or they can be asked in an interview format, thus allowing the respondent to speak while the interviewer somehow records his or her answers (Dunn, 2010). This study adopts the latter format where the respondent is interviewed, while the interviewer records answers. This will be done to accommodate, firstly, the illiterate members of the taxi industry, and secondly, because of the time constraints regarding their type of work and environment which limits their time on hand. This study prefers triangulation since it is a research instrument that has the ability to minimize chances of omitting valuable information or data during the investigation.

Secondly, the study involves social research which involves an analysis of variance approach. The approach encompasses a set of procedures that estimate and attribute variance in a data set to different sources and determine the probability, under the null hypothesis, of obtaining the differences between the variance estimates by chance (Jupp, 2006:3). Two sets of dependant variables, namely, wages/salaries, spending/saving patterns of taxi drivers versus independent variables such as hours of work and age are discussed under this type of research.

The questionnaire will be used to describe the taxi drivers' financial management practices, their perceptions and feelings towards their financial situation, their life goals and how they intend changing their financial situation if it is unsatisfactory. Face-to-face semi-structured and unstructured interviews will be conducted with taxi drivers to probe more information which may have been left out in the questionnaires.

Another research method that will be used for data analysis will be correlation. Correlational research focuses on measuring variables (Dunn, 2010). Correlational method becomes vital when careful (and not experimental) measurement is of necessity in research. Correlational research is a powerful method as it allows researchers to still ask important questions and to observe interesting empirical relationships simultaneously, even if the precise causal underpinnings remain unknown (Dunn, 2010:241). The approach undertaken in this study involves measuring individual responses to some variables including age, salary, hours of work, and place of birth.

Due to time constraint, this study will not constitute a pilot study. Instead I have chosen to work hard on my questionnaire design so that extra time is utilized to ensure clarity in an attempt to avoid problems of misunderstanding and ambiguity.

3.10 Summary

This chapter discussed and described the research methodology used in the study in detail. Research strategies and different methods of data collection were discussed in

conjunction with the rationale behind the selection thereof. The questionnaire design and administration was discussed. Methods of data analysis, namely, quantitative approach, analysis of variance approach which goes hand-in-hand with Correlational approach, were discussed. Chapter Four will present data collected from the study and analysis of results obtained from the completed questionnaires.

CHAPTER 4

PRESENTATION AND DISCUSSION OF RESULTS

4.1 Introduction

The focus of this chapter is the presentation of data as obtained in the survey. The chapter presents data as determined by the questionnaires which were administered to the respondents. Data is, therefore, divided, as in the questionnaire, into demographic information, personal financial challenges, effects these challenges have on taxi drivers, effects these have on taxi drivers' families, and strategies these drivers use to deal with the challenges. Data is presented with the utilization of descriptive statistics. Each section of the questionnaire will be presented with the questions and the reasoning behind them. The findings will be presented with the aid of pie charts and bar graphs where applicable in order to clearly illustrate the relations and trends that may assist in data analysis. The questionnaires were administered to a group of 27 taxi drivers and owners of Umbumbulu rank at different intervals depending on who was available at the time slot before loading. Respondents were clearly informed using their native language what was being investigated and the reasons for the investigation. They were given questionnaires attached with the researcher's information and the consent form. After the explanation about the research and reasons, they were informed of the rights that they have of participating or not participating in the survey. They were also informed that their participation would have no monetary gain. To ensure continuity of support to and from the respondents, the researcher went through each question with the respondents to explain in their native language what was being asked. This was done to ensure that gaps or inconsistencies in the data were best corrected by consulting with the respondents during data collection. Throughout the whole process confidentiality of information was ensured. The response rate was 100%.

4.2 Demographic Information

Demographic data is essential in research as it provides a better understanding of respondents regarding their background, better analysis of results as well as better means of understanding the different responding pattern amongst respondents in terms of their gender, educational background and work environment.

4.2.1 Gender of the Respondents

The questionnaire firstly asked respondents to indicate their gender profile. This question was asked to understand the gender profile of all participant taxi drivers of Umbumbulu. It is indicated in the study that all the 27 participants were males.

4.2.2 Age group

Respondents were asked to indicate their age group. The aim was to determine whether factors such as age have a contributory factor to the spending and saving pattern of taxi drivers.

AGE GROUPS OF TAXI DRIVERS (in years)

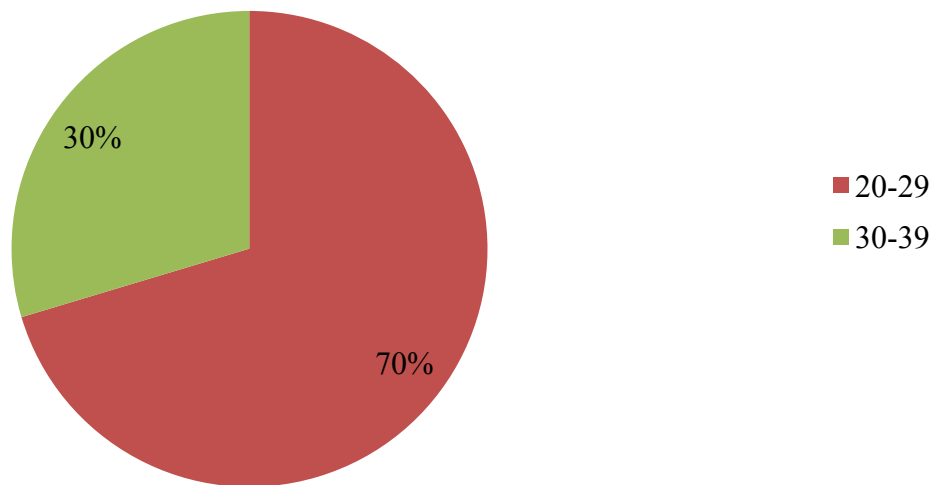


Figure 4.1.1 Age groups of taxi drivers

The results indicated that 70% of respondents fell into the 20-29 age groups, while 30% constituted the 30-39 age groups.

4.2.3 Level of Education

The respondents were asked to indicate their level of education to determine the educational background from which the Umbumbulu Taxi rank taxi drivers were coming from. The results are indicated in figure 4.1.2 below:

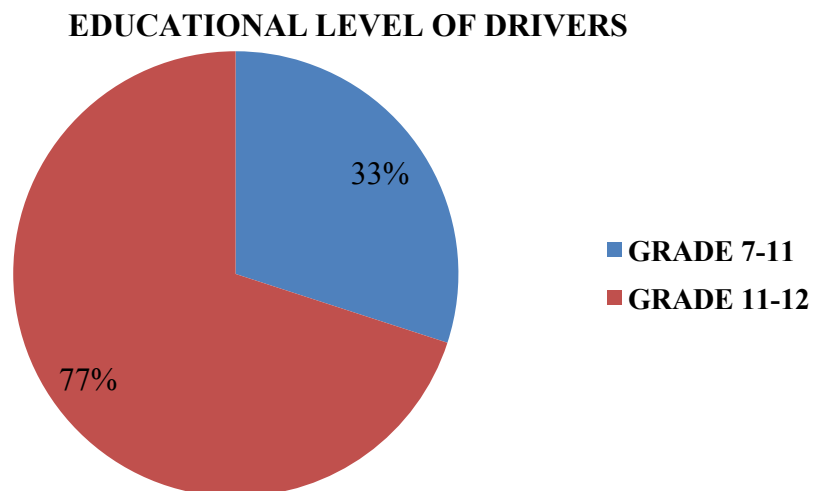


Figure 4.1.2 Educational Level of Taxi Drivers

The results of the survey indicated that out of 27 drivers including owners in Umbumbulu Rank, 9 (33%) had Grade 7- 11, and 18 (67%) had Grade 11-12.

4.2.3 Marital status

Respondents were asked to indicate whether they were single or married. The intention of this question was to determine if their spending and saving patterns were in any way related to marital status or not. Figure 4.1.3 below; indicates the marital status of drivers of Umbumbulu rank.

Marital Status of Taxi Drivers

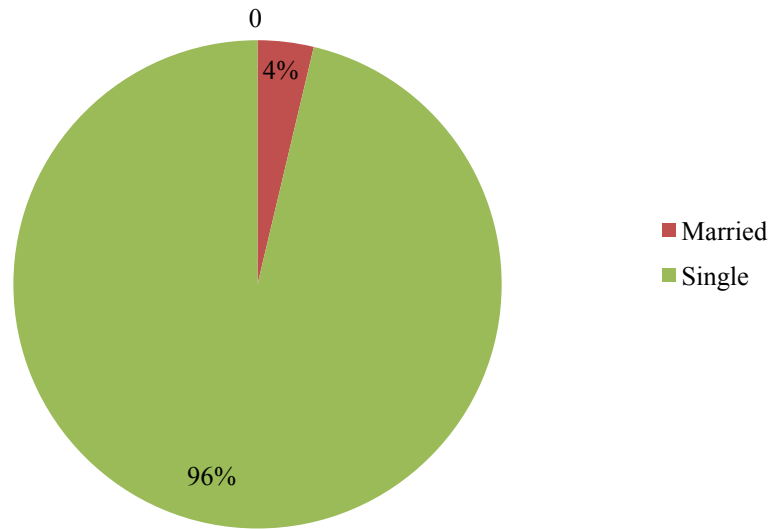


Figure 4.1.3 Marital Status of taxi drivers

The results of the survey indicated that only 1 out of 27, which is 4%, of the drivers was married, and the rest, 26 (96%), were single. The married respondent belonged to the younger age group (20 -29 years of age).

4.2.5 Dependants

Each respondent was asked to indicate the number of dependants to determine the level or extent of responsibility they had, as well as, the financial challenges they were facing at the time. Respondents had to select from a range of 1 to 5+ (more than 5) dependants. Figure 4.1.4 below depicts that range.

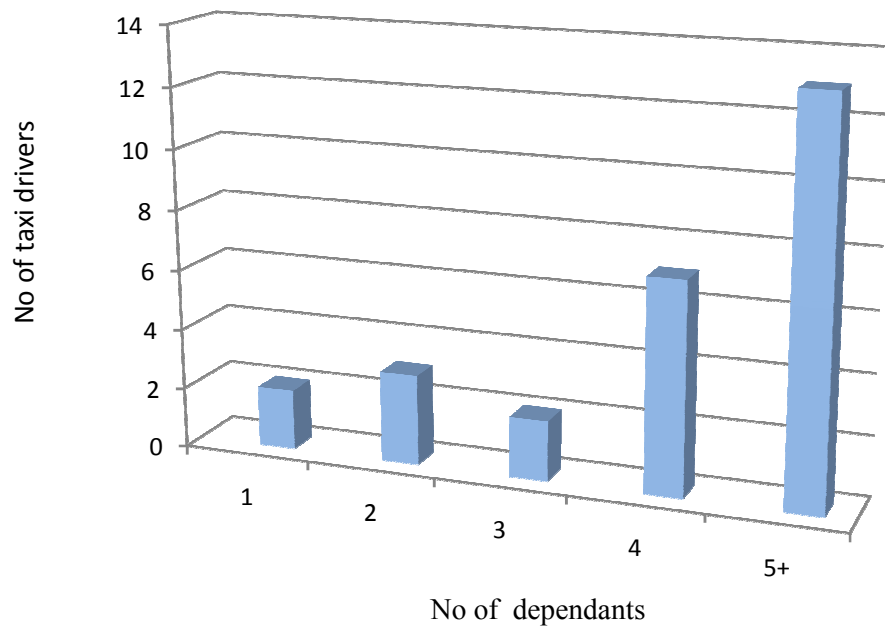


Figure 4.1.4 No of dependants per driver

The results indicated that 2 respondents aged (20-29) had 1 dependant. 3 respondents aged (20-29) had 2 dependants. 2 respondents aged (20-29) had 3 dependants. 7 respondents (4 aged 20-29) and (3 aged 30-39) had 4 dependants. Lastly, 13 (8 aged 20-29) and (5 aged 30-39) had more than 5 dependants.

4.2.6 Residence Arrangement

In this section, respondents had to indicate whether they owned homes, stayed at home with or without parents, or renting. The objective was to determine whether a correlation existed between residence arrangement and remuneration/turnover rate. Figure 4.1.5 represents their responses.

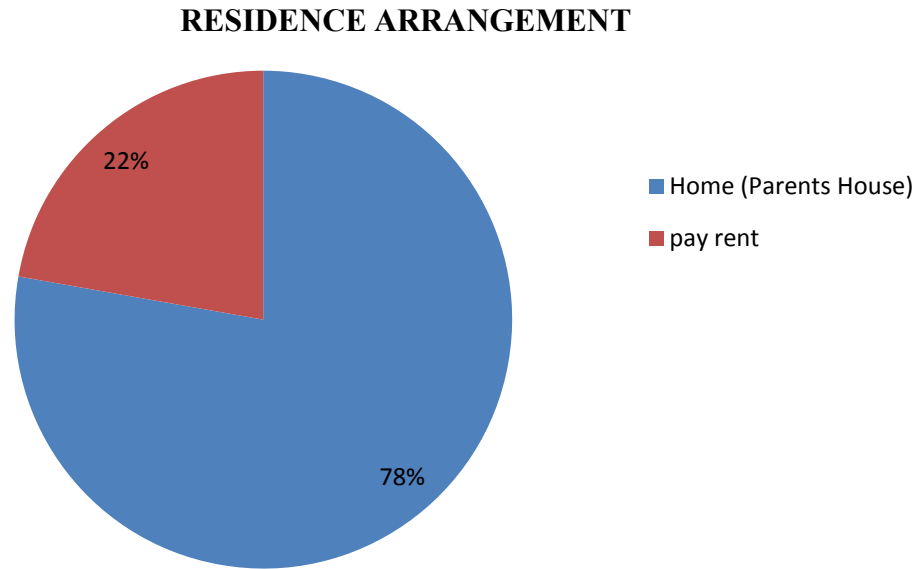


Figure 4.1.5 Residence Arrangement of taxi drivers

The analysis indicated that 21 (78%) respondents, stayed at their parents' houses without the payment of rent. Only 6 (22%) were renting either at home or back room of a house. The 6 respondents were paying a rental of between R200 to R700 per month.

4.2.7 Employment Arrangement

Respondents were required to state their employment arrangement, that is, the type of job a respondent was doing. The objective of this question was to determine if there were any differences in remuneration or acquired revenue between a taxi driver and a driver who is also an owner. Figure 4.1.6 indicates employment arrangement of the respondents.

EMPLOYMENT ARRANGEMENT OF DRIVERS

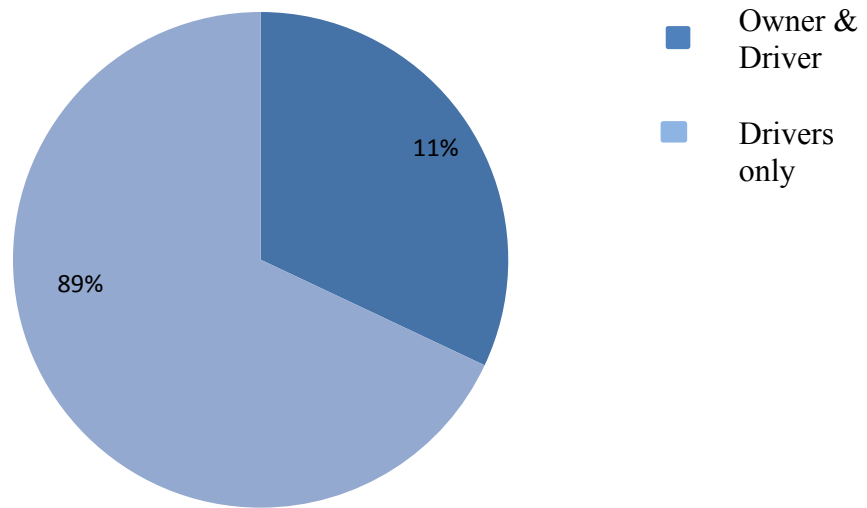


Figure 4.1.6 Employment Arrangement of Drivers

The results indicated that only 3 (1 aged between 20-29, and 2 between 30-39), that is 11 percent of taxi drivers, were both owners as well as drivers. On the other hand 24 (all aged between 20-29), that is, 89 percent of these were drivers only.

4.2.8 Set Number of Working hours

Respondents were asked if there were any set working hours in the Umbumbulu rank. The objective was to depict the relationship that might exist between working hours and daily/weekly turnover. The results are illustrated in Figure 4.1.7 below:

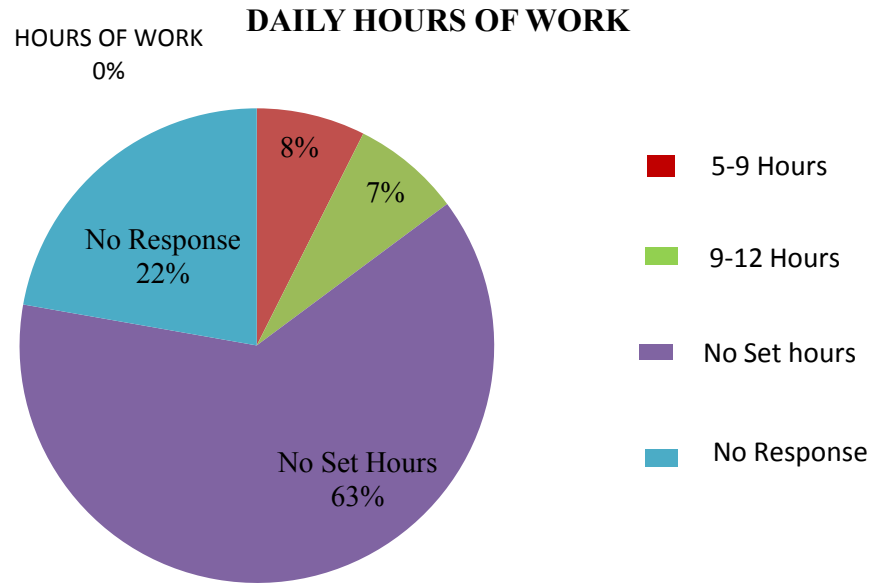


Figure 4.1.7 Daily working hours of taxi drivers

When asked if there were any set working hours, 2 respondents aged between 20-29 answered 'yes' to a 5-8 and 9-12 hour work period respectively. 17 of the respondents answered 'No' and those were 9 aged between 20-29, and 8, aged between 30-39.

4.2.9 Set Target per Day

A question was asked if the drivers had set targets that were to be reached daily, weekly or during holidays. The objective was to determine if targets set per day had any relationship with particular days, such as, weekdays, weekends and public holidays. Two drivers were found to be having set targets by their employers. Each driver was required to have a daily target between R401 to R800, and a weekend target of R 400 or more. No targets were set for public holidays.

4.2.10 No Set target

Where there were no set targets, drivers had different revenue amounts they collected each day. The estimation of daily cash ups is illustrated in the table below:

| DAYS | Age Group | Target 1 R0-R200 | Target 2 R201-R400 | Target 3 R401-R800 | Target 4 R800+ |
|------------------------|------------------|-----------------------------|-------------------------------|-------------------------------|---------------------------|
| WEEKDAYS | 20-29 | 1 | 5 | 4 | 4 |
| | 30-39 | - | 7 | 2 | - |
| WEEKENDS | 20-29 | 3 | 2 | 2 | - |
| | 30-39 | 1 | 0 | 7 | - |
| PUBLIC HOLIDAYS | 20-29 | 4 | 2 | 3 | - |
| | 30-39 | 5 | 2 | - | - |

Table 4.1: Daily Revenue Targets made by Taxi drivers

Figure 4.1.8 below depicts daily targets taxi drivers make.

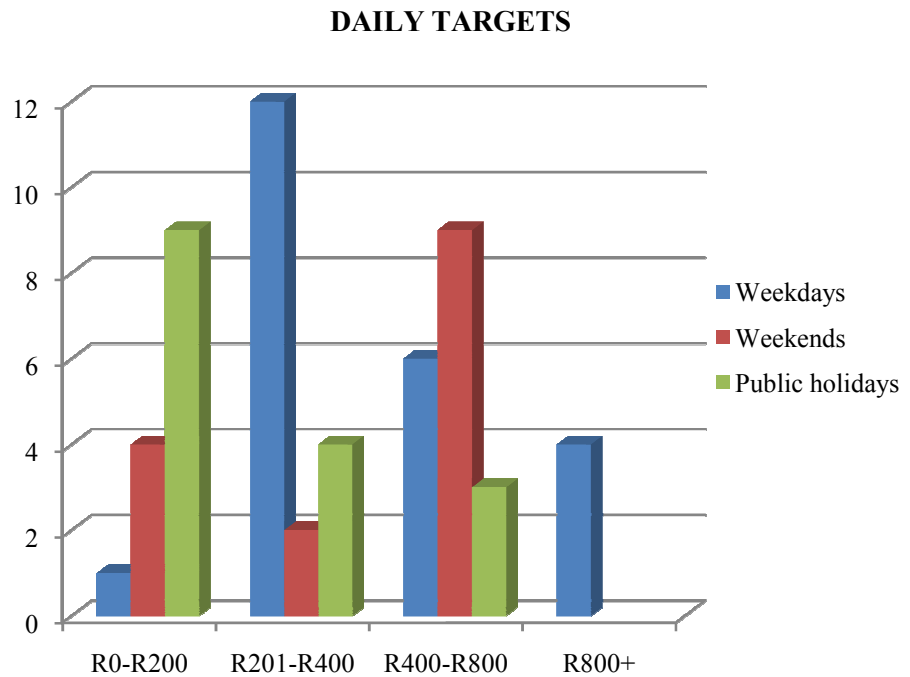


Figure 4.1.8 Daily revenue targets of taxi drivers

4.2.11 Revenue Above daily target

Respondents were asked to indicate what they normally did with the revenue amounts that exceeded the daily target set/estimated by owners/employers. The objective was to determine if drivers kept some cash for themselves privately due to insufficient remuneration or they gave every revenue amount to the owners/employers. Table 4.2 below depicts their responses in number and percentage.

| ACTIVITY | No of taxi drivers | Percentage of taxi drivers |
|---------------------------------------------------|--------------------|----------------------------|
| Give it to owner when I cash in | 16 | 59.26 |
| Keep in my pocket | 02 | 7.41 |
| Owner knows that this money is kept by the driver | 00 | 00 |
| Other | 02 | 7.41 |
| No response | 07 | 25.91 |

Table 4.2: Surplus targets

The graph below clearly illustrates in percentages what is done with surplus revenue collected by drivers each day of the week.

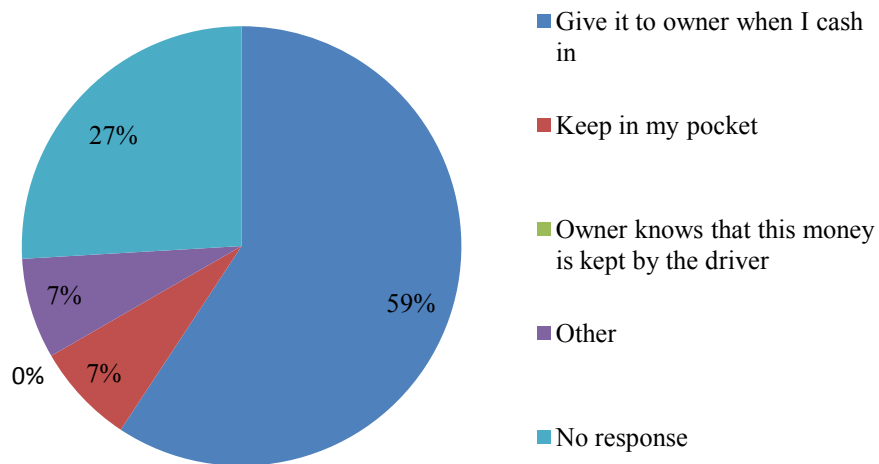


Figure 4.1.9 Response of drivers in percentages

The results indicated that the highest percentage (59%) gives all revenue to owners/employers. 14% of drivers keep the extra revenue with or without the

knowledge of the employer. However, quite a large number (27%) gave no response at all.

4.3 Financial Challenges faced by Taxi drivers

Respondents were asked to indicate the financial challenges they were facing as taxi drivers. The following challenges were placed on Likert scales of 1-7 ranging from strongly disagree to strongly agree. These were also ranked with regards to age groups to see if there is any relation between age and financial challenges. Table C below presents this.

The results are illustrated in the graph below:

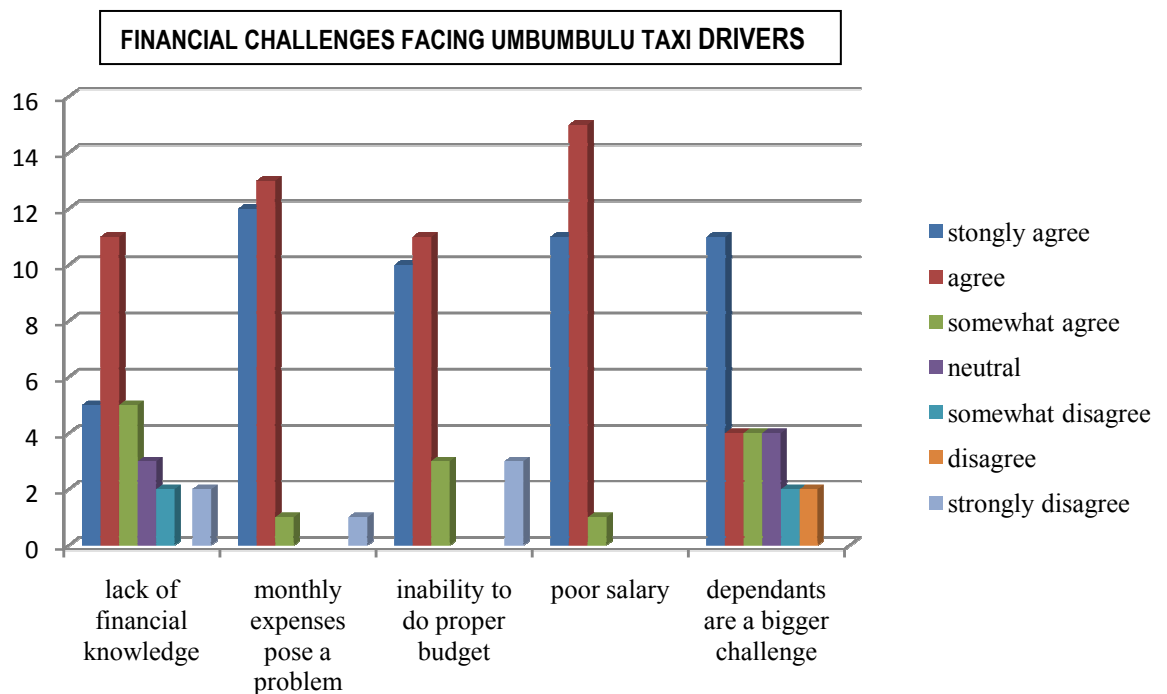


Figure 4.1.10 Financial challenges facing Umbumbulu taxi drivers

The following table indicates the degree of agreement by drivers between ‘strongly agree and strongly disagree’ in Percentages.

| B. Challenges facing taxi drivers | | | |
|--------------------------------------------|-------|---------|----------|
| RESPONSES | Agree | Neutral | Disagree |
| | % | % | % |
| 1.1 lack of financial knowledge | 78 | 15 | 15 |
| 1.2 monthly expenses pose challenge | 89 | 7 | 4 |
| 1.3 inability to do proper budget | 89 | 0 | 11 |
| 1.4 poor salary- major challenge | 92 | 4 | 4 |
| 1.5 dependants- the main challenge | 70 | 15 | 7 |

Table 4.3: Financial Challenges in Percentages

The results in the above table and graph showed that the highest number and percentage of drivers agree that they have huge financial challenges which directly relate to limited financial knowledge, monthly expenses and their dependants. The results indicated that the highest percentage (70%) of taxi drivers lacked proper budgeting skills because of poor salaries. That number constituted younger drivers only. However, it was noted that older drivers (30-39) also faced huge financial challenges. Even though the table shows 22%, which is low when compared to the younger drivers, it should be noted that this number only refers to a comparison made with the total population or sample of drivers. The actual percentage of older drivers was 75% (6 out of a total of 8 (30-39) drivers).

4.4 Effects these challenges have on taxi drivers

Respondents were asked to indicate the effect the challenges they were facing had on them. This was to determine the extent of suffering and feelings the challenges had created on the taxi drivers. Table 4.4 below illustrates these effects.

| Effects financial challenges have on drivers | Disagree | Neutral | Agree |
|---------------------------------------------------------------------------------------------------------------|----------|---------|-------|
| | % | % | % |
| I am always in a bad mood because of the financial difficulties that I face. | 37% | 19% | 60% |
| I sometimes suffer severe depression because of financial challenges that I face. | 15% | 26% | 59% |
| I spend too much money on medical care because of depression sustained from financial challenges that I face. | 30% | 22% | 63% |
| I sometimes feel it would be better if I was dead because of the financial challenges that I face | 60% | 26% | 19% |
| I am confident that my financial challenges will be over one day. | 15% | 15% | 70% |
| I spend a lot of money on witch-doctors who assist me to deal with my financial challenges. | 19% | 30% | 44% |

Table 4.4 Effects Financial Challenges have on Taxi Drivers

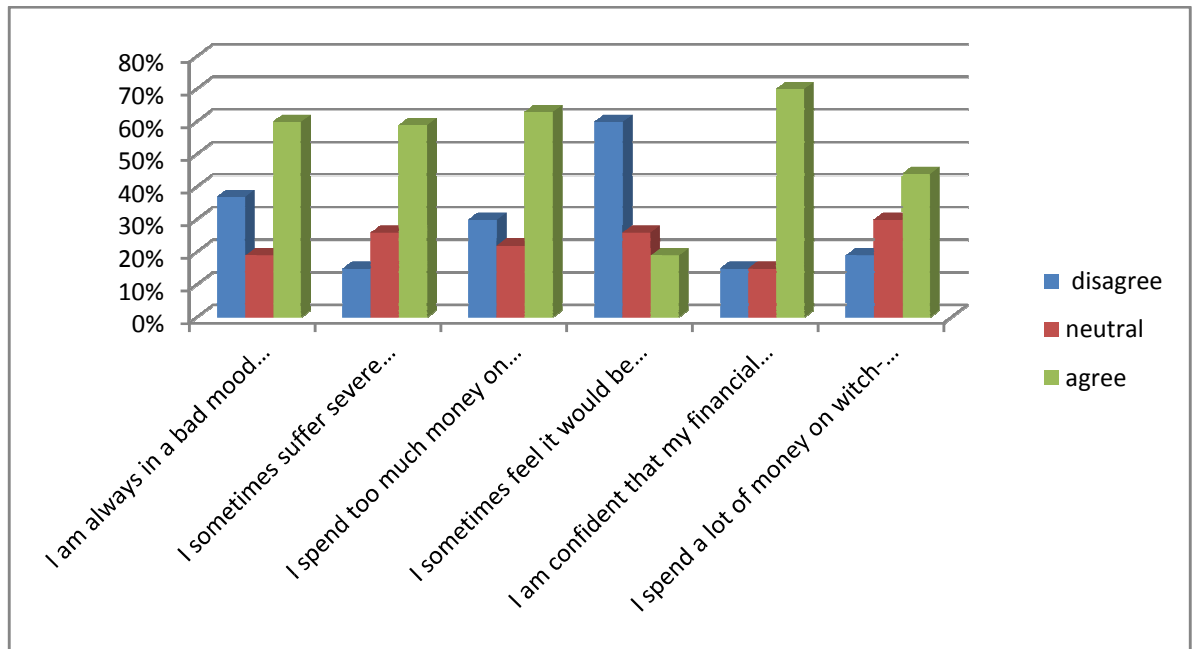


Figure 4.1.11 Effects financial challenges have on Taxi drivers

(a) I am always in a bad mood because of the financial difficulties that I face.

60% of the respondents agreed that they were always in a bad mood because of financial challenges. 37% disagreed that they always had bad mood because of financial challenges. 19% of the respondents expressed no opinion towards this statement.

(b) I sometimes suffer severe depression because of financial challenges that I face.

59% respondents agreed that they suffered from severe depression because of financial challenges. However, 15% of the respondents disagreed to this. 29% of the respondents were neutral when it came to this question.

(c) I spend too much money on medical care because of depression sustained from financial challenges that I face.

63% of the respondents agreed that they spent too much money on medical care because of financial challenges. 30% of the respondents disagreed to this. 22% of the respondents did not offer any opinion regarding this issue.

(d) I sometimes feel it would be better if I was dead because of the financial challenges that I face

19% of the respondents agreed that they felt like dying because of financial challenges. 60% of the respondents disagreed that they felt that they should die because of financial challenges. 26% of the respondents offered no response.

(e) I am confident that my financial challenges will be over one day.

70% of the respondents were confident that their financial problems would be over some day. 15% of the respondents disagreed with this. 15% of the respondents offered no response.

(f) I spend a lot of money on witch-doctors who assist me to deal with my financial challenges.

44% of the respondents agreed that they spent a lot of money on witch doctors. 19% of the respondents did not spend their money on witch doctors. 30% of the respondents were neutral.

4.5 Effects financial challenges have on families of taxi drivers

The respondents were asked to identify the effects the financial challenges they were experiencing had on their families. The aim of asking this question was to determine the nature and extent of effects taxi drivers' families were experiencing because of the financial challenges the drivers were undergoing. The table below indicates responses in number as well as in percentages. This category consisted of 5 statements to respond to. These are listed in the Table F below:

| D. Effects on taxi drivers' families | | | |
|------------------------------------------------|-------|---------|----------|
| RESPONSES | Agree | Neutral | Disagree |
| | % | % | % |
| 1.1 always struggle to provide food | 78 | 11 | 11 |
| 1.2 dependants lack confidence in me | 74 | 15 | 11 |
| 1.3 cannot pay for education of dependants | 70 | 11 | 19 |
| 1.4 dependants feel let down | 66 | 15 | 19 |
| 1.5 dependants always under financial pressure | 59 | 15 | 26 |

Table 4.5: Effects financial challenges have on families of taxi drivers

(a) I always struggle to provide food for those that are dependent on me.

The results from the survey indicate that 78% of the respondents agreed that they always struggled to provide food for their families. Only 11% of the respondents felt this was not the case with them. 11% other respondents offered no opinion to this.

(b) Those that depend on me do not have confidence in my ability to support them.

The results indicate that 74% of respondents felt that their dependents had lost confidence

in them that they would be able to support them financially. Only 11% felt that they still had their dependants' confidence when it comes to financial matters. 15% of respondents offered no opinion regarding this. This could be because the question was a sensitive one touching on confidential issues of the respondents.

(c) I cannot provide those that depend on me with education opportunities

70% of the respondents indicated that they fail to make provision for their dependants' education opportunities as result of financial challenges. 19% Of the respondents, on the other hand, indicated that this was not the case with them. Only 11% of the respondents offered no opinion on this matter.

(d) Those that depend on me feel I let them down financially.

The results from the survey indicated that 66% of the respondents felt that their dependants are let down by their (respondents') financial circumstances. 19%, however, indicated that their dependants did not feel let down by their financial circumstances. Only 15% of the respondents aired no opinion to this matter.

(e) Those that depend on me are always under severe financial pressure.

59% of the respondents admitted that their dependants were always under severe pressure because of financial challenges the respondents had. 26% of the respondents however denied this. 15% of the respondents offered no opinion on this matter. This is seen not only to be affecting taxi drivers but also their dependants.

4.6 Strategies used by taxi drivers to deal with financial challenges

Respondents were then asked to indicate strategies they utilized in order to deal or face these financial challenges. The aim of this question was to identify different strategies taxi drivers utilize in order to deal with financial challenges. Figure 4.2.10 indicates their responses.

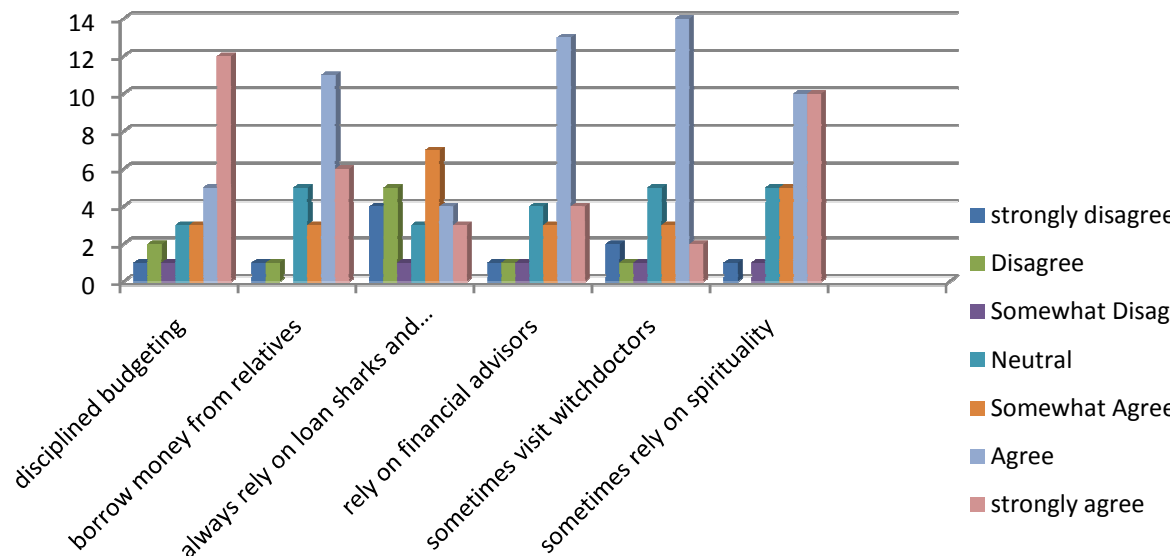


Figure 4.1.12 Strategies Applied by taxi Drivers

The following table, also, indicates the drivers' responses in numbers as well as in percentages.

| E. Strategies used by taxi drivers of dealing with these challenges | | | |
|---------------------------------------------------------------------|-------|---------|----------|
| RESPONSES | Agree | Neutral | Disagree |
| PERCENTAGE | % | % | % |
| 2.1 disciplined budgeting | 75 | 11 | 14 |
| 2.2 borrow money from relatives | 74 | 19 | 7 |
| 2.3 always rely on loan sharks | 52 | 11 | 37 |
| 2.4 rely on financial advisors | 75 | 14 | 11 |
| 2.5 sometimes visit witchdoctors | 70 | 15 | 15 |
| 2.6 sometimes rely on spirituality | 52 | 11 | 7 |

Table 4.6 Strategies used by Taxi Drivers

(a) I use a disciplined budgeting structure to cushion the effects of financial challenges in my life.

The results from the study indicated that 75% of the respondents utilized a disciplined budgeting structure in spite of the poor salaries they maintained they obtained in the industry. It was further indicated by the respondents that budgeting was easily done even with the little salaries they obtained. It was just that their salaries were always inadequate and therefore they could not do everything they budgeted for. 15% of the respondents indicated that they still lacked this skill when it came to financial matters. They always failed to achieve what they opted for. 11% of the respondents offered no opinion regarding this issue. This could be because the question is a sensitive one as well.

(b) I utilize family members by borrowing money from them if I am under financial pressure

74% of the respondents were found to be borrowing money from relatives when they were under financial pressure. They, however, indicated that this was not often. 7% of respondents did utilize family members' assistance when faced with financial crisis. 19% of the respondents did not offer any opinion regarding this. It was assumed this was due to the sensitivity of the question. The overall conclusion was that taxi drivers experience serious financial challenges.

(b) I always rely on loan sharks and short term loans to solve my financial difficulties.

The results from the survey indicate that the respondents face serious financial challenges in Umbumbulu rank. The findings indicate that 52% of the respondents relied on loan sharks and short term loans to solve their financial difficulties. 37% of respondents did not rely on this, though. 11% of the respondents offered no opinion again. It was deducted that this might be due to the sensitivity of the question. This could be that the issue of utilizing loan sharks and loans is a highly sensitive matter that can not be revealed for the world.

(c) I rely of financial advisers to help me with skills to cope with my financial

challenges.

Results from the study revealed that 75% of the respondents relied on the assistance of financial advisors to cope with financial challenges. 11% did not rely on financial advisors. 14% of the respondents offered no opinion. It was concluded that the 75% who relied on financial advisors exhibited financial management skills since they were smart enough to realize the importance of seeking financial advice.

(d) I sometimes visit witch doctors to help me deal with my financial challenges.

Results indicated 70% of respondents sometimes visit witchdoctors to deal with their financial challenges. This was conclusive of the fact that the respondents really faced huge financial challenges. 15% of the respondents did not utilize this type of assistance. 15% of the respondents offered no opinion regarding this.

(e) I sometimes rely on spirituality to deal with my financial difficulties.

The results from the study further indicated that 74% of the respondents relied on some form of spirituality to deal with financial difficulties. This could include prayer and talking to ancestral spirits for guidance. 7% of the respondents did not rely on this form of assistance. 18% of the respondents gave no responses. The conclusion from this is that drivers of Umbumbulu rank face serious financial difficulties.

4.7 Summary

This chapter presented data as obtained in the surveys. It presented data following the questionnaire design using descriptive statistics. The data was presented using tables, pie charts and bar graphs to enable clear illustration of data. Data interpretation follows in the next chapter.

CHAPTER 5

DISCUSSION OF RESULTS

5.1 Introduction

Chapter 4 presented data as obtained through questionnaires amongst taxi drivers and owners of Umbumbulu Taxi rank. The purpose of this chapter is to provide the examination and explanation of data as obtained in the survey. The questionnaires were administered face-to-face to a group of 27 taxi drivers and owners of Umbumbulu rank at different intervals depending on who was available at the time slot before loading. Data is discussed relative to the questionnaire design, firstly, demographic information, financial challenges facing taxi drivers, effects of these on taxi drivers, effects on their families, and strategies used by taxi drivers to deal with these. The results from the questionnaires will be linked to the literature as discussed in Chapter 2 to determine if they are relative or not to the discussion in that chapter.

5.2 Demographic Information

This section discusses the demographic issues associated with the financial challenges taxi drivers are currently facing. Issues such as gender, age, educational background, marital status, dependants, residential arrangement, employment arrangement, number of working hours, daily target revenue amounts, as well as what is done with extra revenue amounts are discussed. Demographic data is essential in research as it provides a necessary understanding of the respondents' background as well as their different responding pattern.

The results from the survey indicated that all 27 respondents were males. The South African Taxi Industry has always been male dominated, though very few studies may indicate otherwise. It has been discussed in the literature that hours of work are estimated at 14 hours a day. Literature in this study indicated two sets of working hours for drivers. A study by Barrett (2003) confirmed a day beginning at 5 am and ending at 7 am. Another study later maintained that the Conditions of Employment Act of 2005 set a minimum wage for drivers of R1 350, and 48 hours of work, 12 hours a day, as well as 36 hours

continuous rest for drivers (Ntuli, 2005). Results from this study have, however, revealed that the reasons for male dominance may be attributed to the nature of work which typically demands long hours of work starting from as early as 4 am, stretching to the latest hours of the day such as 12 midnight, an equivalent of 20 hours. More often than not drivers are expected to leave the vehicles with the owners very late at night after work. This would be too risky for women drivers. Literature in this study has also referred to horrendous accidents taking place in the South African taxi industry which are due to the poor conditions of some vehicles and unhealthy working conditions (Barrett, 2003; Makae, 2009; Masemola, 2011). The nature of horrendous driving taking place in South African roads often leading to road rage and deaths would be abnormal for women who are often considered as nurturing and soft by nature and may find life within the taxi industry too risky. The Taxi Recapitalization Programme by the South African government has not yet been very well-known and acknowledged by both the Taxi industry and commuters (Makae, 2009), a programme that would rather create safety in the industry (Masemola, 2011), for women to venture as well. Instead, the results of the probing that took place in the questionnaire administration revealed that most owners demand a daily target above the expected one because of the high installments they were paying for the new minibuses considered safer by government. As a result of this, women will always feel it is unsafe for them to enter the industry.

5.3 Age of respondents

As had been indicated in the data presentation, the question about age sought to establish whether age has any contribution to the challenges taxi drivers were experiencing.

The results in the survey indicated that there were only two age groups. The first group ranged from 20-29 years of age, while the second group ranged from 30-39 years of age. As stated in the results the first group constituted 70%, and the second group constituted only 30% of the total population. This indicated that the largest percentage of employees in the taxi industry were younger members of the community. This was concluded to mean that the taxi industry constitutes more young employees than older ones. This also

indicates that employment segmentation and the discriminating nature of the formal industry discussed in the study by Ntlhola (2010) affected more young people in South Africa

5.4 Educational Background

Investopedia describes personal finance as “the application of the principles of finance to the monetary decisions of an individual or family. It addresses the ways in which individuals or families obtain budget, save, and spend monetary resources over time, taking into various financial risks and future life events”.

The question on educational background was asked because studies have indicated that both personal finance and financial planning require skills for selecting financial products that will constitute a healthy financial portfolio. These skills may be acquired through education. “Education plays a pivotal role in the survival of the business and as such business owners should be exposed to various educational programmes to enable them to acquire knowledge in their respective endeavors” (Gem, 2009).

This essentially means that the more educated the respondents are, the more skilled in dealing with financial matters they become.

The results in the survey indicated that 67% of drivers had done grade 11-12, while 33% had done grade 7-11. This indicated that 67% of drivers were in a state of being able to choose relevant financial products as they had Matric. This could mean that a larger percentage of drivers are able to deal with financial challenges they come across. This will be discussed later in the chapter.

5.5 Marital Status of Respondents

The question on marital status was asked to determine if marital status was a contributory factor to the manner in which drivers spent and saved their money. Results indicated that only 4% of the total population of taxi drivers was married, while 94% of drivers were single. Results further indicate that the married driver belonged to the 20-29 years age group. It was therefore detected that it appeared to be a norm in this industry to stay unmarried. Some drivers even added that the style of life in the industry was that as a

driver, one had to keep a few girlfriends in each area, so that he would be hired a lot more for specials. If a driver kept a girlfriend in each area he would be easily informed of specials and therefore make a lot more revenue to his benefit. The results also indicated that marital status had nothing to do with factors such as age and hours of work.

5.6 Dependants

The question of dependants was meant to establish the number of dependants each driver had, and to determine if this had any effect on the financial status of the drivers. Results indicated that quite a large percentage of drivers had 4 or more than 5 dependants to take care of. This was considered to be one of the main reasons why they had so many financial challenges. Some of the drivers even indicated that the more dependents you have the more the financial challenges you have.

5.7 Residence Arrangement

Respondents were asked to indicate their residence arrangement. This was done to determine if this had any effect to the challenges they were experiencing financially. The question asked if they stayed or rented any of the following residential places: Flat, house, back-room, home, stayed with friends, or other form of residential arrangement.

As indicated in Chapter 4 of data presentation, 78% of drivers were found to be staying at their parents' homes without paying any form of rent. 22% were renting either at home or at a backroom of a house. Those who were renting paid between R200 and R700 a month. This indicates that a bigger percentage of drivers and owners did not contribute any form of rental for their residences. This eventually means that their residential arrangements had no effect on the financial challenges they were experiencing. Only 22% of them experienced the effect of rental to the financial challenges they were experiencing. This also means that taxi drivers of Umbumbulu rank realized that their financial resources were limited, and therefore, opted for no or little expense residential arrangement.

5.8 Employment Arrangement

This question required an indication of employment arrangement of the drivers to determine which drivers are self-employed, and those who are employed by other owners. As stated in Chapter 4 of data presentation, the question was asked to determine if there were any differences in remuneration or acquired revenue between a taxi driver and a driver who is also an owner. 11% of drivers were found to be both owners and drivers, while 89% constituted drivers only. This meant that 11% of drivers were able to set and acquire own set targets, while 89% not only had to meet set targets but also had to submit all daily revenue targets to owners who were their employers. Also, of interest, it was worth noting that 1 driver belonging to the 20-29 age groups were self-employed. This indicated an ability do financial planning early in one's life so that set goals can be achieved much earlier. It should be noted also that the indication of the largest number of drivers who were not taxi owners could be revealing how difficult it was for them to accumulate revenue to purchase their own vehicles.

5.9 Set hours of Work

To determine whether hours of work contributed or not to daily revenue targets, the drivers were asked to indicate if there were any set daily working hours, and if there were any, to indicate this numerically. The results from the survey indicate a remarkable 63% of respondents who agreed that there were no set hours for their work. They maintained that they worked till there were no commuters on the road. The conclusion from this is that these drivers are better off since in a not- so- busy route such as the one they were working in, this meant they could finish as early as 7 p.m., as stated in a study by Barrett (2003) where drivers were working for 14 hours finishing at 7 p. m.

However, on the other end, these drivers could be the unlucky ones who were forced to work extra working hours as their time depended on the availability of commuters. If, for instance, commuters were available till 10 p. m., then they would have to work till then. Another percentage of the respondents, 8% and 7% had set working hours ranging from 7-9 and 9-12 respectively. These worked lesser hours than the other group without set

hours. The conclusion was that other owners did not want to expose their vehicles to dangers of the night. One respondent commented as he was filling in the questionnaire and said, “My employer doesn’t want his car to be on the road after a certain time.” This is because the vehicles and drivers are continuously exposed to war over routes, poor working conditions, horrendous accidents and hijackings (Makae, 2009, Masemola 2011). The literature suggests that there had been a series of instances where violence had erupted as organizations failed to reach a consensus regarding operational routes (Makae, 2009). The government has continuously failed to effectively address this matter, and as a result has left this to taxi operators to solve the matter amongst themselves (Makae, 2009). This continues to escalate a circle of violence because taxi organizations are not prepared to give lucrative routes. Research suggests that after a route has been applied for by an organization, other taxi associations will recognize and honour that arrangement. Despite legal documentation showing which association is legitimately permitted to use a route, lucrative routes continue to be contested for. When this study was conducted, there was an ongoing war over routes between Folweni and Umbumbulu ranks.

The two ranks were at logger-heads concerning the issue of pick-ups/loading. Folweni rank felt they should have a right to load up to Phezukomkhono, a route belonging to Umbumbulu rank. They, however, did not want to allow Umbumbulu taxis to load on their (Folweni) route. The argument against that was that Umbumbulu was not a very busy route compared to Folweni, as one driver stated. This meant that it took longer for Umbumbulu taxis to get a full load. It could take a few hours before a taxi could get a full load, therefore. This means daily targets at Umbumbulu, a rural area, are quite low compared to areas such as Folweni which are semi-rural. This has a considerable effect on daily targets thus affecting taxi drivers’ remuneration and daily targets a great deal. The study by Makae (2009) clearly indicates a substantial number of taxi drivers and commuters have lost their lives through this form of violence. What is disturbing is that currently there are no legal frameworks governing or regulating routes.

Due to time constraint, this study did not allow the researcher to make a comparative study on both or more ranks in order to estimate the degree of such experiences. Finally, 22% of the respondents did not respond to this question. It was never known why this was so.

5.10 Daily targets set by owners

From the study, it was determined that very few owners set targets for drivers in Umbumbulu Rank. Where they were set, the owner determined only the minimum target but could be expecting more for busy days in order to accommodate slack days in which less revenue is made. If the driver continued to bring only the set target everyday, he was fired immediately. This indicates instability of their jobs. Literature in this study indicated that drivers were supposedly protected by the labour unions, and the Labour Relations Act awarded them the right to join any trade union of their choice, however, this was found to be more in theory than in reality (Barrett, 2003). More revenue was expected on busy days such as pension/social grants days. Findings indicate set weekly targets between R401 to R800, and targets of R400 or more during weekends. The difference indicates the difference in demand rate between the two periods, that weekdays are busier since commuters go to work, and weekends are less busy as commuters spent most of their time at home with their families.

5.11 Where there are no set targets by owners

Even though this question had not been included in the questionnaire, it was deemed necessary as respondents continuously revealed that in their rank, though a bigger percentage of drivers had no set targets, the drivers themselves had targets which they set for themselves. The reason for setting these targets was because owners or employers expected some amount of revenue whether he had set a target for the driver or not.

Taxi Recapitalization Programme as proposed and implemented by government has brought more harm than good to the taxi industry. First of all, the literature suggests that since the introduction of this programme most owners face huge repayment installments for the new and expensive minibuses which are considered by government as safer than the old Siyaya minibuses. One respondent even commented and said, “The owner sometimes wants more than what the driver gives him. At Umbumbulu rank, work is not good. Since there are these new quantum minibuses/taxis, these cars are expensive. He

expects a lot more money (cash up) so that he can pay off the quantum's monthly installment. The owner often sees the little amount of money you give him, and he thinks you are eating the money." Another driver maintained that they were actually able to budget; it was just the salary that they received which was quite inadequate.

Most drivers stated that each driver gave the owner an amount he felt and thought would satisfy him since there were no set targets of revenue per day for these drivers. The rest of the money was used for petrol and remuneration of the taxi driver's assistant/conductor. At the end of the day the money was all given to the owner during the 'cash up' (submission of cash for the day). Most drivers did not get to keep some money for themselves as it was always expensed as remuneration for the driver's assistant and petrol.

5.12 Revenue Above daily targets

The respondents were asked what they did with revenue that was above daily targets. Respondents had to indicate whether they gave all the money to the owner at cash up, keep some above target secretly, or kept some with the knowledge of the driver, or something else was done. 59% of the respondents indicated that they gave all revenue to the owner or employer. This concludes that a large number of drivers are trustworthy in the taxi industry. 7% of respondents agreed that they kept some money secretly. This is in agreement with a study by Barrett (2003) where drivers were found to be keeping some of the revenue above daily targets secretly. Reasons for these were found to be the inadequacy of the remuneration they received. Though no question in the questionnaire required information on the drivers' remuneration, it was discovered, when respondents responded to Section B of the questionnaire, that drivers faced huge financial challenges due to insufficient remuneration. This will be discussed further in the next section of this chapter. The other 7% of respondents indicated that the extra revenue was not actually kept by them, but they had to fill the vehicle up with petrol and pay the assistant drivers. This meant that there was a mutual agreement between a driver and the owner concerning this. 25% of respondents gave no response to this question. This could be because the question might have been quite sensitive to respond to, and respondents may have felt the matter was rather confidential.

5.13 Objective 1: Financial Challenges Facing Taxi drivers

This part of the questionnaire contained five statements to respond to, in order to answer the question on financial challenges facing drivers. Each statement will therefore be discussed hereunder.

(a) Lack of financial knowledge is my biggest challenge when it comes to financial matters

Literature in this study indicated that financial knowledge and budgeting skills often assisted an individual to be in control of his/her financial status (Okello-Obura & Kigongon-Bukenya, 2008). Lack of financial knowledge posed negative results, therefore. As indicated in Chapter 4 of this study, the results indicated that 78% of the respondents agreed that they lacked the skill of financial knowledge and this posed as the biggest contributory financial constraint. This was in comparison to 15% of the respondents that disagreed. 11% offered no responses regarding this matter. Reasons concerning this could not be detected.

(b) Monthly living expenses posed a great challenge.

89% of respondents agreed that living expenses did pose a great challenge to their financial difficulties. Only 4% of respondents disagreed that this could be a challenge to them. Reasons for this were disclosed when respondents were responding to, firstly, 5.7 above about their living arrangement, the fact that 78% stayed at home with parents instead of renting, secondly, Section C of the questionnaire which indicates the effect these challenges had on drivers, and lastly, Section D, which indicates effects these challenges had to the families of drivers. This meant that most drivers preferred home residence over rented accommodation because of financial constraints they had. It was clear that their weekly remuneration was inadequate. In addition to this, the results indicated that all the respondents had dependants to take care of. This would mean that it would be a challenge, therefore, to cater for accommodation. The 7% of respondents gave no responses regarding this. Reasons could not be detected.

(c) Inability to do a proper budget on monthly basis is a major challenge to my financial affairs

89% of the respondents admitted that they had a problem regarding proper budgeting. Reasons for this were relative to inadequate salaries. It was interesting to note that this was not relative to age. 70% consisted of younger driver (20-29) and 19% consisted of older drivers (30-39) (see Table B, Chapter 4). A small percentage (11%) of respondents denied that this was a challenge for them at all. In spite of these results, it was interesting to hear other respondents stating that they were able to budget within the little amount of remuneration they received. The above results and findings coincide with past research which indicated that the more educated individuals were the more skilled they became with financial skills. This agrees with the findings which indicated that 77% of respondents were Matriculants. Even though most respondents felt that they lacked financial skills, it can be concluded after the analysis that the level of education. It can be deduced also that the exposure to the money industry has somehow taught them some financial management skills.

(d) Poor salary was the main cause behind the respondents' financial difficulties.

Even though it had been highlighted in the literature that the Conditions of Employment Act stipulated how much drivers had to be paid, this was in theory rather than in reality. The results in this study indicated that 94% of respondents agreed that poor salary was the major financial challenge they were facing. This led to the conclusion that poor salary/remuneration was the main reason why Umbumbulu taxi drivers were facing so many financial challenges.

(e) My lack of financial knowledge is my biggest challenge when it comes to financial matters.

70% of respondents agreed that lack of financial knowledge contributed to the financial challenges they were facing. Even though results from the survey had shown that most of the drivers were Matriculants, it was concluded from the results that it was either that, their level of education did not assist them in obtaining financial knowledge, or the minimal knowledge that they had obtained at high school was inadequate or was not

utilized to the fullest.

5.14 Objective 2: Effects financial challenges have on taxi drivers.

The fact that 60% of the respondents agree that they are always in a bad mood because of financial challenges indicates the level of frustration the respondents have because of financial challenges. The frustration they often feel results in bad mood, a situation that exhibits emotions of anger and resentment. As had been indicated in literature review that the taxi industry has been known for its violent nature and the horrendous accidents taking place on daily basis, it can be highlighted from the results that bad mood from taxi drivers can be a contributory factor in this regard. More often than not taxi drivers are seen driving recklessly and often showing road rage towards drivers of other vehicles. This may be understood in terms of bad mood resulting from financial difficulties.

Most of the respondents denied that they developed severe depression due to financial challenges. These respondents were considered to be strong for their financial challenges. It was concluded that they were able to deal with their financial challenges. It was seen as an indication that taxi drivers did whatever it took to deal with financial challenges at hand.

A study by Schwer, et al. (2010) indicated that drivers were found to be exhibiting signs of stress and depression in the workplace. Most studies on gender and stress often indicate severe cases of individuals who suffer from stress and depression. They would develop feelings of detachment and often become suicidal. The results in this study, however, illustrated a different viewpoint and feeling toward the disease. Most of the respondents were found to be strong enough not to spend their money on medical care. In other words, they were not found to be suffering from stress and depression as a result of financial challenges, and therefore, did not spend their money on medical care because of this. The findings indicate that even though taxi drivers experience financial challenges, they do not, however, experience stress and depression. This is found to be contrary to the reality that is seen on daily basis where signs of this are displayed through reckless driving and accidents that take place in South African roads. This means that, even though drivers deny the presence of stress and depression in their lives, their behaviour on the road displays something else.

When asked if they felt that it would be better if they were dead, very few respondents agreed that they really wished they were already dead because of financial challenges. This was seen as a positive response from the respondents, which indicated that they still had hope that this current financial constraint was temporary.

Most respondents felt that their challenges would be over one day. This meant that the respondents were not discouraged by the current financial situation.

Most drivers agreed that they found witchdoctors helpful when frustrated with financial challenges. This was found to be relative to their beliefs. Most of them believe in ancestral assistance. This indicated that most taxi drivers are really frustrated by financial challenges they are facing on a daily basis.

5.15 Objective 3: Effects financial challenges had on families of taxi drivers

The results from the survey indicate that 78% of the respondents agreed that they always struggled to provide food for their families. This was seen to be problematic for the respondents who were all male, and as perceived in the South African Black culture, and, therefore, may not want to be perceived as failures when it comes to family responsibility. When asked if they felt that their dependants had lost hope in their ability to provide for them, 74% of respondents felt that their dependants had lost confidence in them that they would be able to support them financially. This was perceived to be a challenge in the lives of most taxi drivers. Only 11% felt that they still had their dependants' confidence when it came to financial matters. 15% of respondents offered no opinion regarding this. This could be because the question was a sensitive one touching on confidential issues of the respondents.

70% of the respondents indicated that they fail to make provision for their dependants' education opportunities as a result of financial challenges. The results from the survey indicated that 66% of the respondents felt that their dependants are let down by their (respondents') financial circumstances. This percentage indicates a high percentage of taxi drivers who have lost hope in themselves as providers for their families or dependants. The results (59%) indicate that their dependants are always under severe pressure because of financial challenges the respondents have.

5.16 Objective 4: Strategies taxi drivers used to deal with financial challenges

The findings from the results indicate that in spite of having financial challenges in their lives, taxi drivers have developed some strategies to deal with this. The strategies they utilize are discussed hereunder.

The results indicate that 74% of respondents utilize the help of family members to deal with financial challenges they are facing. (52%) of respondents rely on loan sharks and short-term loans for survival. 74% rely on financial advisors for advice on how to deal with financial challenges. 70% of respondents sometimes visit witchdoctors for assistance to deal with financial challenges. 74% of respondents rely on spirituality to deal with financial challenges. It is interesting, though, to note that 63% of respondents still manage to do proper budgeting despite the huge financial challenges they are facing. This indicates that, as discovered in the results that most drivers had Matric, the little knowledge about financial matters assists them in putting budgeting skills to good use. However, this also indicates a great need for financial training for taxi drivers. The above information portrays the fact that Umbumbulu taxi drivers do face a lot of financial challenges. A little assistance from government or SATAWU of providing them with financial education would be invaluable. Even though their financial knowledge is limited in a way, they have devised some methods of saving the little that they obtain in order to deal with financial challenges.

5.17 Ways and Types of Savings Used By Umbumbulu Taxi Drivers

Due to the fact that taxi drivers in this rank receive low remuneration and their work is very unstable as one driver puts it, “You cannot afford to take life insurances and investments since you can be dismissed in the afternoon”. This is called “*Ushaywe ngesihlilingi*” (You have been hit with a slingshot). Most drivers, therefore, resort to the following methods of saving their remuneration:

(a) Stokvel (‘*umholiswano*’) amongst drivers.

This incorporates circulation of money collected to each person each week. This involves

a group of individuals putting together an amount of money agreed upon. The money is given to the first person in the list. The following week it is given to the second person in the list. It goes like that for each person until everybody has received his/her share. This money helps individuals to buy those things they could not afford with their sole salaries, such as furniture, appliances, and etcetera. Owners have their own form of Stokvel. This in relation with the findings in the study by Molea (2007), where women were using this method for saving their money. This has been described as Rotating Savings and Credit Associations (ROSCA), and is still regarded as the most popular among Black South Africans (Molea, 2007). Molea (2007) stated that these were more popular to individuals who had limited income, such as the Umbumbulu taxi drivers in this study.

(b) Monthly Savings/Investment Accounts

Other drivers are able to save money through monthly savings at the financial institutions of their choice. Since drivers are often quite busy in the mornings and afternoons, they do their banking during the day when they are not busy or while the taxis are being washed. This money is mostly saved for the whole year so that it can be enjoyed at festive time for feasts, gatherings, weddings, and purchasing school uniforms and school books for the New Year. Most drivers save on weekly basis since they are remunerated weekly.

The taxis they are driving are well taken care of by keeping them in good condition, clean, installing the best sound system to attract beautiful young girls. The driver must always be clean and have many girl-friends in order to obtain specials, thus making more money. Drivers also have to be pro-certain churches, for instance, be pro- Shembe in order to be known and be used by members of the church often. This often allows them to make more money, to his benefit as well as that of the owner. The driver gets to keep more money for himself, while he is also able to satisfy the owner/employer.

(c) Life Insurance and Investments

As indicated in the study by Barrett (2003), the taxi drivers' jobs are very unstable. They are theoretically protected by the South African Labour Relations Act, and as a result do receive assistance from Labour Unions. As a result of this instability and lack of

protection, drivers are unable to take things such as life insurances and investments since their jobs are unstable. One driver reiterated this: “You can’t save or take life insurance because you can lose your job in the afternoon, which is the same day.” The drivers confirmed that it was difficult to keep a job in the taxi industry as one’s future depended on the owner at the time. For instance, if the owner was dissatisfied with the driver, he could dismiss him anytime he wanted. This would mean that any form of insurance or investment taken would be terminated prematurely consequently.

5.18 The nature of the taxi drivers’ work

The drivers and owners of Umbumbulu Taxi rank who were surveyed were all males. As a result, the only gender referred to in this study is that of males, hence the use of generic ‘he’.

In the morning, no money is given to the driver. He has to work the whole day till late where there are no set working hours. Each day before cash up, the driver has to fill the car up with petrol for the next day. He is required to produce a slip determining how much he had spent on petrol at the cash up period. He also has to pay the assistant driver (also known as ‘conductor’). When there is a breakdown, he has to buy the required product to repair the car, and then produce a slip of the product/s bought. The driver is expected to leave the car full of petrol each day when he knocks off. In other cases where a breakdown has occurred, and a set target has not been reached, the owner would calculate the receipts brought forward, and then reaches an understanding with his driver.

5.19 Long hours of work and job instability

Drivers often start very early in the morning to work, as early as 4 a.m. depending on the route. They often knock off very late after filling in petrol, cash up, delivering the driver’s assistant, and taking the car back to the owner. This could be at 12 midnight. This often leads to inadequate sleeping patterns, and drivers are often found sleeping during the day.

This often disturbs body regulation due to awkward working times and no time for exercising as well as rest.

Their job is unstable since a driver can be fired in the morning or afternoon and be told the car has been taken to car wash. Other drivers say, '*Ushaywe ngesihlilingi*' or '*ushaywe ngesithende*'. They say you are playing for Golden Arrows Football Club. This happens because drivers are not Unionised, and therefore, are not protected like other employees from other sectors. Literature had maintained that drivers have labour unions and could join any unions they wished to join (Barrett, 2003). This has been found to be in theory than in reality. Drivers are often disorganized by this as they do not get paid for the whole week until they are hired by another owner. Drivers also suffer when the cars are at repairs because they do not get paid.

5.20 Remuneration of drivers

The salary structure provided by government is theoretical and not applicable to the taxi industry. There are two methods of remuneration:

Drivers are remunerated on a weekly basis, either during any of the weekdays, Fridays or Saturday afternoons. A driver's salary is equal to one day cash up in a six-day week. Those who are paid on Saturdays are those who take liquor. They are paid Saturday afternoon or evening because they do not normally work Sundays. The Rank manager determines which taxis work Sundays, for instance, half the number of taxis. Taxis alternate Sundays, therefore. If they happen to work on Sundays it is mostly to obtain money for petrol. Other drivers use Sunday's cash up for repairs, maintenance, depending on the owner of the vehicle. Whether remunerated on any of the weekdays or Saturdays, a driver is not paid directly. He has to work for the whole day and take one day's cash up as his weekly salary or remuneration after having subtracted all the necessary expenses.

5.21 Benefits for Drivers other than money

Though drivers often face hectic daily schedules they do enjoy some benefits from the taxi industry. Their relatives get to use the vehicle for their projects. Drivers buy meals from the daily cash up, which means the driver does not have to spend his own money to buy food for the day. They also get to entertain their girl-friends through this day's cash up. They also do their laundry using the money they get while working during the day.

5.22 Summary

The chapter has discussed results as presented in Chapter 4. The analysis indicates that Umbumbulu taxi drivers have huge financial challenges which not only affect them but also their families. Even though this appears to be the case, they have devised other strategies to deal with financial challenges, which are convenient to the nature of their work which is unstable, and thus does not allow them to save and invest through the normal and conventional ways of saving. The use of Stokvel, savings accounts, as well as the use of other ways to make extra cash, such as specials, has been found to very helpful to them. The study has discovered that even though salaries of taxi drivers are quite low, they do enjoy other benefits which in a way compensate them for their low salaries.

The next chapter draws conclusions and makes recommendations for future studies.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

Chapter 5 discussed findings from the presented data in Chapter 4. This chapter presents conclusions made from the findings, and then makes recommendations for further studies. Although the South African taxi Industry falls under the informal sector of business, it is considered as an industry that greatly contributes to the GDP of the country. The industry employs a large percentage of people who are unemployable in the formal markets. Other studies have proved that even though the industry is so economical, its employees, namely, the taxi drivers, are still not fairly treated and remunerated as the other employees from other sectors. Also, not many studies have been made regarding this industry in as much as they have been made concerning other industries considered formal and economical. Furthermore, in as much as the South African Government has attempted to regulate the industry through the introduction of, for instance, Taxi recapitalization Programme and salary regulation structure, the industry is still as unregulated as it had ever been, and salaries of drivers, taxi marshals and drivers assistants are as low as they had ever been centuries ago. This indicates that there is still much to be done in this industry with an aim of assisting it to grow. This has preempted this study, therefore, with an aim of investigating hidden issues such as financial challenges these drivers and owners are facing which are scarcely documented, if at all, in literature.

This study, therefore, investigated financial challenges facing taxi drivers in Umbumbulu Rank.

Literature in this study indicated there are still problems in the South African Taxi industry. Even though the South African Constitution stipulates that all people are equal and gender equity is essential the results show that to a certain degree, the South African Taxi Industry is still male dominated. As had been stated above, this may not be all conclusive since the study constituted Umbumbulu rank only.

It may be concluded that Umbumbulu rank has a higher percentage of young drivers. This may indicate that the taxi industry is dominated by younger drivers (20-29) than the older generation from 30 to 65. This may also indicate that this industry attracts the younger

generation more than it attracts the older one. This also indicates a higher percentage of young males who are segmented in the South African formal industry, for reasons such as level of education.

It has been perceived from the results and findings that a higher percentage of drivers experience huge financial challenges in the Umbumbulu rank. The findings, however, do not indicate that age had any relation to this. Drivers of all age groups were found to be experiencing a lot of financial challenges due to poor salaries they received. It is disturbing, though, to see that in spite of the fact that the taxi industry contributes a great deal to the country's GDP, drivers are still as unprotected by the 'supposed to protect' labour laws as ever. The labour laws are in place but dysfunctional. The South African government needs to look intently into this matter. While it continues with Taxi Recapitalisation Programme, it has to see to the welfare of its people who untiringly continue to contribute to the wealth of the country.

6.2 Conclusions from the Study Objectives

The objectives of the research were:

- a) To investigate the personal financial challenges facing taxi drivers at Umbumbulu.
- b) To determine the effects of these challenges on the taxi drivers themselves.
- c) To determine the effects of these challenges on the taxi drivers' families.
- d) To investigate what strategies taxi drivers apply to deal with these challenges.

The results from the survey indicated a large number of taxi drivers who are experiencing financial challenges. These challenges often lead drivers to develop particular negative feelings or reaction as a result. Findings also indicated that these financial challenges have terrible effects on taxi drivers' families. Most drivers could no longer buy food for their families. They could not take care of their education. These were found to have detrimental effects on the taxi drivers' dependants. Dependants were losing confidence from the drivers that they could not take care of them. Dependants were found to be suffering from financial strain. This has been seen to be contributing to feelings of

inferiority from all male drivers investigated in this study. Harboring feelings of resentment and anger was perceived.

Most drivers indicated that lack of financial knowledge contributed a great deal to the challenge they are currently facing. The study, however, found out that most of the Umbumbulu taxi drivers were matriculants. This meant that they had some financial knowledge they had probably learnt at high school at a particular time. This was the information that was supposed to assist them in financial planning. The fact that they were able to use other methods of saving convenient to their predicament meant they do have a certain financial knowledge. It would benefit them, however, if the South African government or SATAWU would provide them with adequate financial education to allow them more effective methods of creating financial wealth.

The study indicated, also, that these challenges have particular effects on taxi drivers. Most of them were found to be relying more on loan sharks, short term loans, witch doctors and spirituality. While most were found to be relying more on these, others relied more on financial advisors to deal with financial challenges. These were found to be the smart ones since it is not everyday that an individual is found relying on financial advisors for financial planning. A very small number of drivers indicated suffering from severe depression because of these challenges. It was deduced that these men were actually brave and had the ability to deal with their financial challenges.

6.3 Saving Patterns of taxi drivers

Other findings which came out through the respondents' engagement with some questions and as result brought some comments and examples indicate several other strategies regarding financial planning utilized by drivers to deal with financial challenges. Those were found to be Stokvel and monthly savings accounts for a few who could save. It was discovered that short and long-term insurances could not be taken by the respondents as their jobs were highly unstable and as a result could end prematurely.

6.4 Spending Patterns of taxi drivers

There is sufficient evidence in this study that taxi drivers face huge financial challenges when it comes to spending. Evidence indicates that drivers not only struggle to take care of themselves as well as their dependants. Above this, there is evidence that drivers do incur other expenses. Besides the expenses owners and drivers have to take care of as discussed in this study, such as taking care of themselves, buying food for their families and paying rent, there are other expenses which are usually paid by the owners. If the driver incurs a fine due to the bad condition of the vehicle or if the vehicle does not have work permit, the owner has to pay the fine. Owners also pay for road accidents caused by the drivers, whether the driver is right or wrong, it does not matter. If two taxis under the same rank are involved in an accident, the owners come together and reach a consensus. If the problem is too severe, then the Association intervenes.

There are other expenses that drivers are liable for. When a driver does not have PDP which allows carrying commuters, he pays his own fines. Also, when a driver is involved in overloading, overtaking in wrong places, and is found not wearing the safety belt, he has to pay for his fines.

Other expenses concern the remuneration of the Rank marshal. The Rank marshal is remunerated by drivers for his duties at the rank which include, firstly, recording of all taxis chronologically, calling upon each taxi that will load. Secondly, he is responsible for planning how taxis deliver according to set routes. For instance, if a route has a low number of commuters, he can combine commuters of two different routes and order a taxi to deliver them accordingly. Thirdly, he reports to the Association all cases, grievances and is a communicator and mediator between owners and drivers. Lastly, he is charge of collecting Rank fee, which is his salary, from drivers.

From these findings it may be concluded that drivers really face huge financial challenges.

6.5 Recommendations arising from this study

- There is a huge shortage of literature regarding life and experiences of taxi drivers, especially, financial challenges, in South African literature. This calls for more research in this field.
- It has been perceived from the study that Umbumbulu taxi drivers experience huge financial challenges. The results and findings in this study should be eye opening for the South African government and SATAWU that something should be done and urgently. The government should take more care of their employees, namely, taxi drivers, in as much as it does for employees in the formal sector, since the Taxi Industry greatly contributes to the GDP of the country.
- Labour laws should be enforced to accommodate these employees and others who are in a similar predicament. More means to regulate the industry, so that it takes good care of its employees, should be made.
- While the Taxi Recapitalization Programme is under way and it should be applauded for providing safety to South African commuters, more funds should be allocated for the Taxi Industry to help them deal with financial challenges which are due to the new minibuses they are forced to purchase.

6.6 Limitations of this study

All studies have their limitations. The following are limitations in this study:

- **Time Constraint:** The study was limited to six months and therefore could not be piloted. Due to this setting the study consisted of a small sample survey of 27 taxi drivers. It should be highlighted that results, findings and conclusions in this study, therefore, may not be all conclusive and generalisable as the study constituted only 27 respondents from one taxi rank in Umbumbulu. Making conclusive evidence would be committing a fallacy of composition since what may be considered true for drivers in Umbumbulu rank may not hold true for taxi ranks in other areas in KwaZulu-Natal. This, therefore, leaves more room for

further research in this area to make results and conclusions generalisable and all conclusive.

- **Literature:** Literature on the taxi industry is scarce, let alone studies on personal finance challenges of taxi drivers. This poses as limitation to this study as it had to rely on one source which was more five years old for the basis of the research.

6.7 Recommendations for further studies

- The lack or scarcity of research into the South African taxi industry, in particular, finance management, is problematic. It is recommended that more research be done concerning the industry's employees so that means may be made to ensure that they are assisted accordingly.
- This study constituted only 27 respondents, a total population of Umbumbulu taxi rank drivers and owners. The results are therefore in no way all conclusive as this would mean a creation of a fallacy of composition. It is recommended, therefore, that further study be made where a comparative study may be made of three or more taxi ranks in order draw some conclusive findings.
- Also, time constraint limited the study. It is recommended that a full scale research be done in this industry as this study leaves much to be desired.

6.8 Summary

The chapter draws conclusions and suggests recommendations for further studies. It has been concluded that Umbumbulu taxi drivers face huge financial challenges. This has been concluded to have effects on them, their families. Even though some of them rely on loan sharks, short term loans and witchdoctors, there are those who rely on financial advisors for financial panning. Also, though most of them cannot use the conventional methods of saving, they have opted for other methods convenient to them such as Stokvel and monthly savings accounts.

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APPENDIX 1

UNIVERSITY OF KWAZULU-NATAL GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Dear Respondent,

MBA Research Project
Researcher: Sibongile Hadebe (0723252820)
Supervisor: Steven Msomi (031-260 7927)
Research Office: Ms P Ximba 031-2603587

I, **SIBONGILE ELIZABETH HADEBE**, an MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu Natal. You are invited to participate in a research project entitled: Financial Management Amongst Taxi Drivers in Umbumbulu – An Investigation. The aim of this study is to: Elicit information on methods used by Taxi Drivers to manage their finances in order to achieve specific goals.

Through your participation I hope to understand **the financial challenges you are currently facing and how you deal with them on daily basis**. The results of the research are intended to contribute to the **understanding of how you fare in this business and therefore assist in implementing necessary changes around issues of financial management**.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this questionnaire. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The questionnaire should take you about 15-20 minutes to complete. I hope you will take the time to complete this questionnaire.

Sincerely

Investigator's signature _____ Date _____

RESEARCH QUESTIONNAIRE

Please place a cross (X) next to a space that best describes your situation. In case none of the mentioned options describe your situation, please provide your response in the provided space (ie in the dotted line).

SECTION A: DEMOGRAPHIC INFORMATION

1. Gender:

| | |
|--------|--|
| Male | |
| Female | |

2. Age group:

| | |
|-----------|--|
| < 20 - 29 | |
| 30 – 39 | |
| 40 – 49 | |
| 50 – 59 | |
| 60 + | |

3. Education:

| | |
|-----------------------------|--|
| No formal education | |
| Grade 7 - 11 | |
| Grade 11 - 12 | |
| Certificate/ Diploma/Degree | |
| Honors Degree | |
| Masters Degree | |
| Doctoral Degree | |

| |
|----------------------|
| Other: State..... |
|----------------------|

4. Marital Status (irrespective of your understanding of the process of marriage)

| | |
|-------------|--|
| Married | |
| Not Married | |

5. How many people are dependent on your income, other than yourself?

| | | | | |
|---|---|---|---|-------------|
| 1 | 2 | 3 | 4 | 5 (or more) |
|---|---|---|---|-------------|

6. What is your residence arrangement? *(On the space marked "green" please insert your monthly payment in rent, or bond or leave the space empty if you are not paying anything).*

| | | |
|----------------------|--|--------|
| Flat (Own) | | R..... |
| Flat (Rent) | | R..... |
| House (Own) | | R..... |
| House (Rent) | | R..... |
| Back-room (Rent) | | R..... |
| Home (Parents House) | | R..... |
| Stay with Friends | | R..... |
| Other: State..... | | R..... |

7. Employment Arrangement:

| | |
|-------------|--|
| Taxi Owner | |
| Taxi Driver | |

| | |
|---------------------|-------|
| Taxi Driver & Owner | |
| Other | |

8. Do you have a set number of working hours a day?

| | |
|-----|--|
| Yes | |
| No | |

9. If your answer in (8) above is yes, how many?

| | | | |
|-------|-------|--------|------|
| 1 - 4 | 5 - 8 | 9 - 12 | 12 + |
|-------|-------|--------|------|

10. Do you have a target amount in revenue (Rand amount) that you need to reach per day?

| | |
|-----|--|
| Yes | |
| No | |

11. If your answer in (10) above was Yes, please indicate the amount.

| | | | |
|------------------------|-----------|-------------|--------|
| During Weekdays | R0 – R400 | R401 – R800 | R800 + |
| During Weekends | R0 – R200 | R201 – R400 | R400 + |
| During Public Holidays | R0 – R200 | R201 – R400 | R400 + |

12. If your answer in (10) above was Yes, what do you do with the revenue above your daily target? *This question is relevant for the respondents that are driving for somebody else ONLY.*

| | | | |
|--------------------------------|----------------------------|---------------------------------------------------|----------------|
| ve to the Owner when I cash in | Keep in my pocket secretly | Owner knows that this money is kept by the driver | Other |
|--------------------------------|----------------------------|---------------------------------------------------|----------------|

| SECTION B. Statements relating to Personal Financial Challenges: | | EXTENT OF AGREEMENT | | | | | | |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | STRONGLY DISAGREE | DISAGREE | SOMEWHAT DISAGREE | NEUTRAL OR NO OPINION | SOMEWHAT AGREE | AGREE | STRONGLY AGREE |
| 1.1 | My lack of financial knowledge is my biggest challenge when it comes to financial matters. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="4"/> | <input type="text" value="7"/> |
| 1.2 | My monthly living expenses pose a great challenge to my financial affairs. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 1.3 | My inability to do a proper budget on monthly basis is a major challenge to my financial affairs. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 1.4 | My poor salary is the main cause behind my financial difficulties that I face on monthly basis. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 1.5 | My dependents are the main reason for my financial difficulties. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| SECTION C: Statements relating to Effects on Taxi Drivers: | | EXTENT OF AGREEMENT | | | | | | |
| | | STRONGLY DISAGREE | DISAGREE | SOMEWHAT DISAGREE | NEUTRAL OR NO OPINION | SOMEWHAT AGREE | AGREE | STRONGLY AGREE |
| 2.1 | I am always in a bad mood because of the financial difficulties that I face. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="4"/> | <input type="text" value="7"/> |
| 2.2 | I sometimes suffer severe depression because of financial challenges that I face. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 2.3 | I spend too much money on medical care because of depression sustained from financial challenges that I face. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |

| | | | | | | | | |
|-----|----------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 2.4 | I sometimes feel it would be better if I was dead because of the financial challenges that I face. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 2.5 | I am confident that my financial challenges will be over one day. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 2.5 | I spend a lot of money on witch-doctors who assist me to deal with my financial challenges. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |

| SECTION D: Statements relating to Effects Taxi Drivers' Families: | | EXTENT OF AGREEMENT | | | | | | |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | STRONGLY DISAGREE | DISAGREE | SOMEWHAT DISAGREE | NEUTRAL OR NO OPINION | SOMEWHAT AGREE | AGREE | STRONGLY AGREE |
| 1.1 | I always struggle to provide food for those that are dependent on me. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="4"/> | <input type="text" value="7"/> |
| 1.2 | Those that depend on me do not have confidence in my ability to support them. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 1.3 | I cannot provide those that depend on me with education opportunities. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 1.4 | Those that depend on me feel I let them down financially. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 1.5 | Those that depend on me are always under severe financial pressure. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| | | EXTENT OF AGREEMENT | | | | | | |

| SECTION E: Statements relating to Strategies Applied by Taxi Drivers | | STRONGLY DISAGREE | DISAGREE | SOMEWHAT DISAGREE | NEUTRAL OR NO OPINION | SOMEWHAT AGREE | AGREE | STRONGLY AGREE |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 2.1 | I use a disciplined budgeting structure to cushion the effects of financial challenges in my life. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="4"/> | <input type="text" value="7"/> |
| 2.2 | I utilize family members by borrowing money from them if I am under financial pressure. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 2.3 | I always rely on loan sharks and short term loans to solve my financial difficulties. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 2.4 | I rely of financial advisers to help me with skills to cope with my financial challenges. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 2.5 | I sometimes visit witch doctors to help me deal with my financial challenges. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |
| 2.6 | I sometimes rely on spirituality to deal with my financial difficulties. | <input type="text" value="1"/> | <input type="text" value="2"/> | <input type="text" value="3"/> | <input type="text" value="4"/> | <input type="text" value="5"/> | <input type="text" value="6"/> | <input type="text" value="7"/> |



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27 May 2012

Ms SE Hadebe (201509024)
Graduate School of Business

Dear Ms Hadebe

Protocol reference number: HSS/0183/012M

Project title: Personal finance challenges facing taxi drivers at Umbumbulu, KwaZulu-Natal: A case study

In response to your application dated 07 May 2012, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the school/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Professor Steven Collings (Chair)
Humanities & Social Science Research Ethics Committee

cc Supervisor: Mr Steven Msomi
cc Academic Leader: Dr Shammin Bodhanya
cc Mrs Wendy Clarke

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